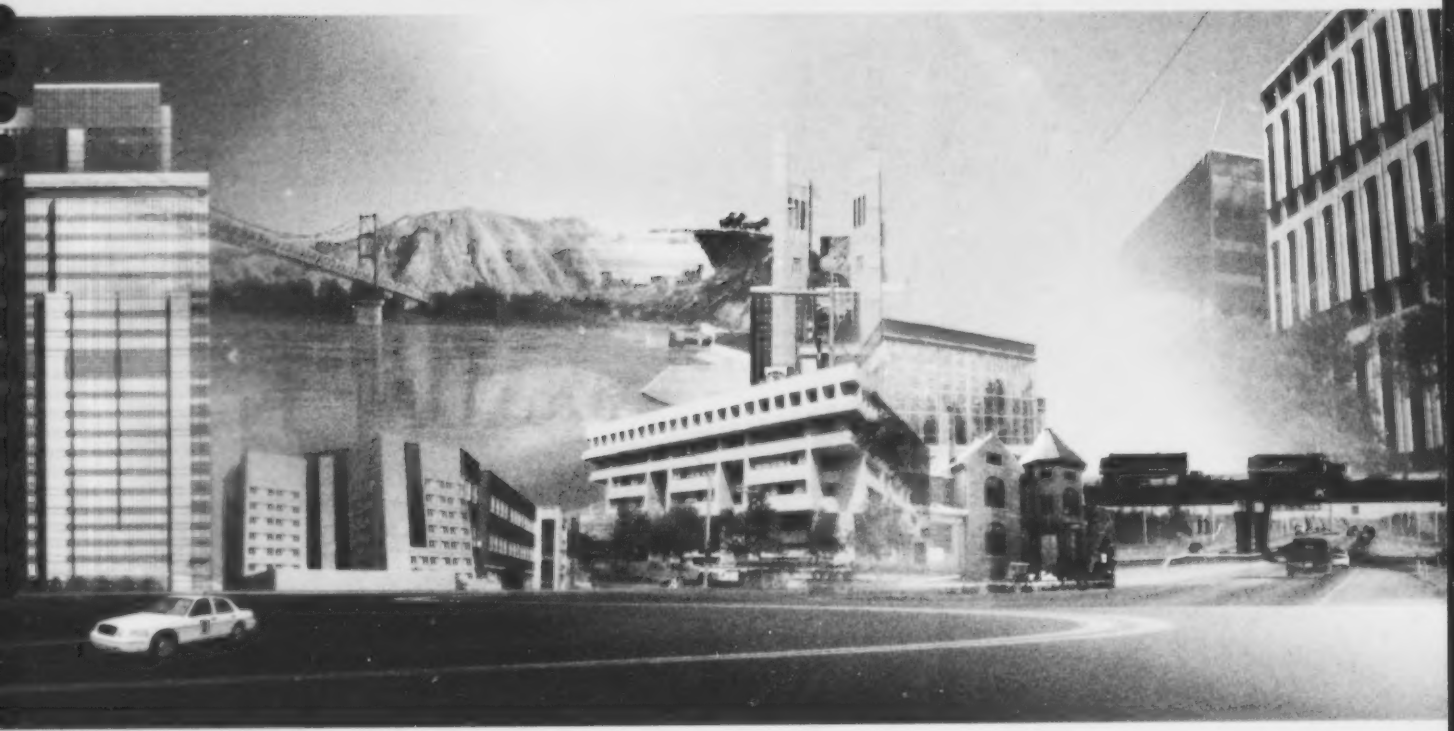
Alberta Infrastructure and Transportation



2005-2006 Annual Report

Alberta

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Preface

Public Accounts 2005-2006

The Public Accounts of Alberta are prepared in accordance with the ***Financial Administration Act*** and the ***Government Accountability Act***. The Public Accounts consist of the annual report of the Government of Alberta and the annual reports of each of the 24 Ministries.

The annual report of the Government of Alberta released June 26, 2006 contains the Minister of Alberta Finance's accountability statement, the consolidated financial statements of the Province and a comparison of the actual performance results to desired results set out in the government's business plan, including the ***Measuring Up*** report.

This annual report of the Ministry of Infrastructure and Transportation contains the Minister's accountability statement, the audited financial statements of the Ministry and a comparison of actual performance results to desired results encompassing information from the Ministry business plan. This Ministry annual report also includes other financial information as required by the *Financial Administration Act* and *Government Accountability Act*, either as separate reports or as a part of the financial statements, to the extent that the Ministry has anything to report.

Minister's Accountability Statement

The Ministry's Annual Report for the year ended March 31, 2006, was prepared under my direction in accordance with the ***Government Accountability Act*** and the government's accounting policies. All of the government's policy decisions as at September 15, 2006, with material economic or fiscal implications of which I am aware have been considered in the preparation of this report.

Ty Lund
Minister of Infrastructure and Transportation

Message From The Minister

Last year was an important year for infrastructure in this province. Alberta celebrated its centennial with many special community events and projects. As part of the celebrations, Alberta Infrastructure and Transportation built or refurbished several key facilities such as the Northern and Southern Jubilee Auditoria, Lougheed House, the Royal Tyrrell Museum of Palaeontology, the Sam Livingston Fish Hatchery exhibits, and the Cypress Hills Provincial Park Interpretive Centre. We also announced the expansion of the newly renamed Royal Alberta Museum.

2005 Alberta Centennial

It was a dynamic year with the 2005-08 Capital Plan providing $9.2 billion for capital projects over three years. And with a more flexible approach to funding, the provincial government can make predictable, long-term capital commitments through the use of the Capital Account and alternative methods of financing. In the past, we mostly depended on the resource revenue outlook for the year. This new approach helps us to address Alberta's building and road infrastructure needs and contributes to a significant increase in the level of capital spending.

With the ministries of Education, Advanced Education, and Health and Wellness, we are sharing responsibility for implementing capital projects. This partnership combines each ministry's strategic priority perspective and funding with Alberta Infrastructure and Transportation's expertise in planning, design and construction processes for long-term solutions to capital needs.

On the transportation side of things, in recognition of the significant growth occurring in northern Alberta, the Ministry initiated highway improvements in the Wood Buffalo Region as part of a long-term program to address its increasing infrastructure needs. Major highway work commenced to twin Highway 63 and upgrade Highway 881 in the Fort McMurray area.

A new Alberta Municipal Infrastructure Program (AMIP) was launched, providing $3 billion over five years to municipalities for capital projects. This level of funding, unprecedented in Alberta and unmatched in Canada, will go a long way to assisting municipalities in addressing their infrastructure priorities. In addition, the New Deal for Cities and Communities agreement was signed to transfer federal gas tax funding to municipalities, providing long-term stable funding to support environmentally sustainable infrastructure, cleaner air and water, and reduce greenhouse gas emissions.

School boards continued to experience changing enrolments. To respond to this challenge, Infrastructure and Transportation has assumed the responsibility for approving the design and supervising the production and delivery of modular classrooms. These new modular classrooms are superior to previous portable classrooms in their design, construction, flexibility and life span.

Looking to the future, the provincial government is committed to implementing the Alberta Traffic Safety Plan. Partnering ministries are working together with Alberta Infrastructure and Transportation to develop programs to save lives and reduce injuries on provincial roadways. It will take the efforts of everyone to realize this goal. The Ministry will consult Albertans on several proposed changes to traffic laws that are under consideration as part of the Alberta Traffic Safety Plan.

Another key priority continues to be addressing road, building and water infrastructure needs to maintain what we have now, as well as to manage the construction of new roads and buildings in response to our province's robust economy and significant population growth.

This past year celebrating Alberta's centennial has been a pleasure, but now we look to the future with enthusiasm and excitement about the work ahead. I am confident that along with the Ministry's capable and dynamic staff, we will continue making Alberta the best place to live, work and visit.

Ty Lund
Minister of Infrastructure and Transportation

Management's Responsibility for Reporting

The Ministry of Infrastructure and Transportation includes the Department of Alberta Infrastructure and Transportation, and the Alberta Transportation Safety Board. The executives within the Ministry have the primary responsibility and accountability for the Ministry. Collectively, the executives ensure the Ministry complies with all relevant legislation, regulations and policies.

Ministry business plans, annual reports, performance results and the supporting management information are integral to the government's fiscal and business plans, annual report, quarterly reports and other financial and performance reporting.

Responsibility for the integrity and objectivity of the financial statements and performance results for the Ministry rests with the Minister of Infrastructure and Transportation. Under the direction of the Minister, I oversee the preparation of the Ministry's annual report, including consolidated financial statements and performance results. The consolidated financial statements and performance results, of necessity, include amounts that are based on estimates and judgments. The financial statements are prepared in accordance with the government's stated accounting policies.

As Deputy Minister, in addition to program responsibilities, I establish and maintain the Ministry's financial administration and reporting functions. The Ministry maintains systems of financial management and internal control, which give consideration to costs, benefits, and risks that are designed to:

- provide reasonable assurance that transactions are properly authorized, executed in accordance with prescribed legislation and regulations, and properly recorded so as to maintain accountability of public money,
- provide information to manage and report on performance,
- safeguard the assets and properties of the province under Ministry administration,
- provide Executive Council, Treasury Board, the Minister of Finance and the Minister of Infrastructure and Transportation any information needed to fulfill their responsibilities, and
- facilitate preparation of Ministry business plans and annual reports required under the ***Government Accountability Act***.

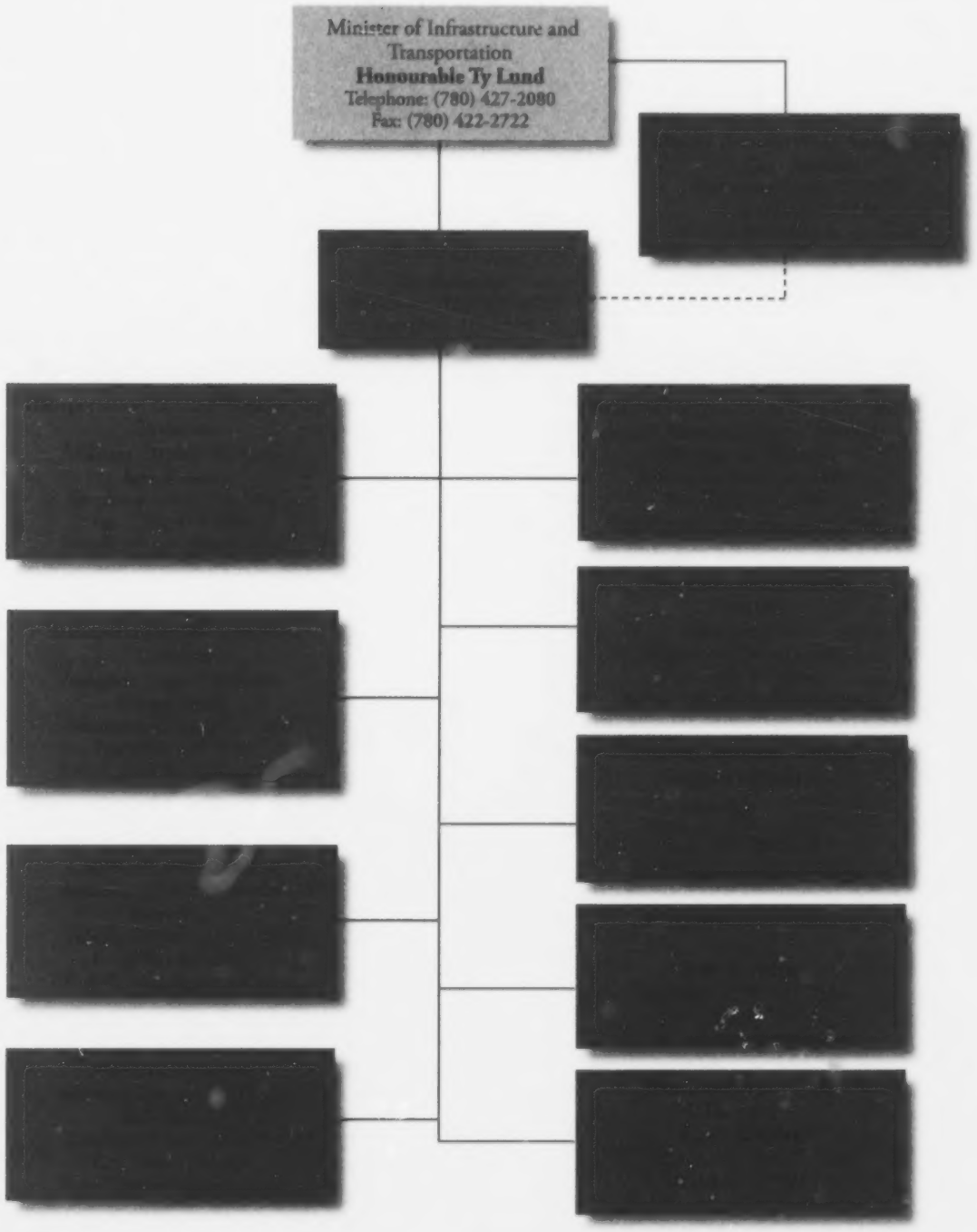
In fulfilling my responsibilities for the Ministry, I have relied, as necessary, on the executives within the Ministry.

Jay G. Ramotar
Deputy Minister
Infrastructure and Transportation
September 15, 2006

Overview

Ministry Organization

(as at March 31, 2006)



Overview

Ministry Organization

(as at March 31, 2006)

Our Services

Infrastructure and Transportation's responsibilities are wide ranging, from managing provincial transportation safety programs to the provision of policy direction and capital planning expertise, to building and managing government-owned infrastructure including the provincial highway network and facilities that support government operations. Management of numerous grant programs, including municipal transportation, water/wastewater, and administration of the Natural Gas Rebate Program are within its mandate. The Ministry also provides property acquisition and disposal, leasing and space planning for government facilities, management of the Swan Hills Treatment Centre, as well as air and vehicle fleet management services.

The Ministry includes the Alberta Transportation Safety Board, which adjudicates on commercial carrier compliance, controls and monitors driver licensing and is responsible for hearings under the ***Railway (Alberta) Act***.

Our Vision

Infrastructure and Transportation is a Centre of Excellence that provides modern infrastructure to support Alberta's growth and prosperity.

Our Mission

Infrastructure and Transportation contributes to Alberta's economic prosperity and quality of life through the provision and support of effective and safe transportation, public buildings and environmentally safe water and wastewater infrastructure.

Our Core Businesses

Infrastructure and Transportation achieves its mission through these core businesses:

1. Manage provincial transportation safety programs.
2. Plan, develop and manage government-owned infrastructure.
3. Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs.
4. Represent Alberta's interests in transportation policy.
5. Provide strategic services to government ministries, boards and agencies.

In conjunction with other ministries, the Ministry supported priority government initiatives through its activities.

Cross-ministry Initiatives

Health Innovation and Wellness Initiative

- Supported development of Bill 39 legislation passing the ***Traffic Safety Amendment Act 2005***.
- Completed development of the Alberta Traffic Safety Plan in conjunction with other ministries.
- Collaborated to implement the Rural Affordable Supportive Living capital program with Health and Wellness and Seniors and Community Supports to provide supportive housing options in rural areas.
- Allocated funding under the Health Sustainability Program for projects in the province's health regions.

Aboriginal Policy Initiative

- Participated in Alberta Aboriginal Apprenticeship Project.
- Provided accommodation services for projects in Aboriginal Affairs and Northern Development and the Metis Settlement General Council.

Alberta Children and Youth Initiative

- Provided ongoing road safety education and awareness programs on school bus safety, Walk the Talk and bicycle helmet requirements.
- Implemented an Advanced Road Test as part of Graduated Driver's Licensing program qualifications for new drivers to receive a full licence.
- Provided accommodation services to Children's Services on their projects.

Economic Development and Innovation Initiative

- Implemented agreements for Edmonton and Calgary ring roads.
- Announced Alberta Municipal Infrastructure Program and funding under the Resource Road Program.
- Continued the construction program for North-South Trade Corridor.
- Initiated a northern highway upgrade program, including Highways 63 and 881.
- Delivered the Natural Gas Rebate Program in partnership with Energy, and Agriculture, Food and Rural Development.
- Led the capital planning process in collaboration with all ministries providing planning, funding and management of government owned and supported infrastructure.
- Completed centennial infrastructure projects planned for 2005.

Challenges

Summary of Challenges

The Ministry faced a number of significant challenges during the year.

- **Aging infrastructure** – Much of Alberta's infrastructure is aging, resulting in maintenance and rehabilitation needs for the provincial highway network, water/wastewater management and facility infrastructure managed or supported by Infrastructure and Transportation.
- **Traffic volumes, collision and injuries** – The amount of traffic in Alberta continues to rise due to an increasing population and a fast growing economy, resulting in major implications for the efficiency of Alberta's roads and safety of Alberta's road users.
- **Economic growth and changing demographics** – Continued development of economic and resource areas such as the Fort McMurray/Wood Buffalo Region and just-in-time manufacturing mean that Albertans must have transportation links that allow for the efficient transport of goods. Along with rapid urbanization, an increasing and aging population has an impact on the ability of existing infrastructure to meet the province's changing needs. The construction industry is facing an acute shortage of skilled trades personnel.
- **New alternatives for providing infrastructure** – The Capital Plan provides increased flexibility in infrastructure development including the option for alternative financing opportunities such as public-private partnerships, when advantageous to the province.
- **Technology and innovation** – Innovations in road and building engineering and design are providing opportunities to apply new technologies to improve efficiencies in program delivery and safety.
- **Enhanced environmental stewardship** – Albertans, stakeholder groups and the government are increasingly aware of environmental issues and the need to protect air and water quality, aquatic ecosystems and lands for present and future generations.
- **Security** – The increased emphasis on security issues related to potential threats of terrorism, natural disasters and crime is resulting in delays at border crossings, at airports and in the transportation of dangerous goods. Preserving national and international driver licence reciprocity and establishing a minimum standard of security for government facilities to improve the safety of employees and the public who visit these sites is also a concern.

AUDITOR GENERAL
Alberta

Report of the Auditor General on the Results of Applying Specified Auditing Procedures to Performance Measures

To the Members of the Legislative Assembly

Management is responsible for the integrity and objectivity of the performance results included in the *Ministry of Infrastructure and Transportation's 2005-06 Annual Report.* My responsibility is to carry out the following specified auditing procedures on performance measures in the annual report. I verified:

Completeness

1. Performance measures and targets matched those included in Budget 2005. Actual results are presented for all performance measures.

Reliability

2. Information in reports from external organizations, such as Statistics Canada, matched information used to calculate the actual results.

3. Information in reports that originated in the Ministry matched information that the Ministry used to calculate the actual results. In addition, I tested the processes the Ministry used to compile the results.

Comparability and understandability

4. Actual results are presented clearly and consistently with the stated methodology and are presented on the same basis as targets and prior years' information.

I found no exceptions when I performed these procedures.

As my examination was limited to these procedures, I do not express an opinion on whether the set of measures is relevant and sufficient to assess the performance of the Ministry in achieving its goals.

Fred J. Dunn FCA
Auditor General

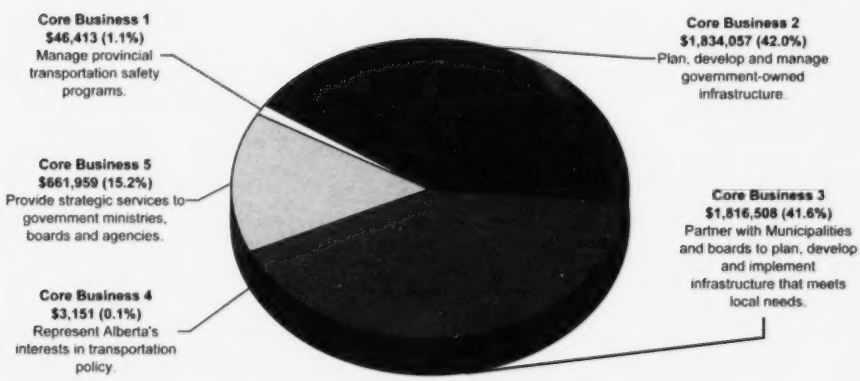
Edmonton, Alberta
July 28, 2006

Expense by Core Business

Financial Resources
(in thousands)

Planned Spending (Estimates)	3,868,812
Total Authorized	4,712,227
Actual Spending in 2005-06	4,362,088
Actual Spending in 2004-05	3,397,372

Alberta Infrastructure and Transportation
2005-06 Expenditures by Core Business
(Operating Expense and Capital Investment Combined)
(000's)


Core Business 1
$46,413 (1.1%)
Manage provincial transportation safety programs.
Core Business 2
$1,834,057 (42.0%)
Plan, develop and manage government-owned infrastructure.
Core Business 5
$661,959 (15.2%)
Provide strategic services to government ministries, boards and agencies.
Core Business 3
$1,816,508 (41.6%)
Partner with Municipalities and boards to plan, develop and implement infrastructure that meets local needs.
Core Business 4
$3,151 (0.1%)
Represent Alberta's interests in transportation policy.

Alberta Infrastructure and Transportation received an increase in total authorized funding during the 2005-06 fiscal year. As a result, actual spending is higher than planned spending by $493.3 million, primarily due to:

- $348.6 million over-expenditure for Energy Rebates related to higher than anticipated gas prices in 2005-06, which triggered rebates between $1.50/gigajoule and $7.29/gigajoule. In 2005-06, Treasury Board approved additional funding of $441 million for this program.
- $54.2 million over-expenditure for the Strategic Economic Corridor Investment Initiative. The increase was primarily due to additional funding approved for cost increases on the Anthony Henday southwest ring road, scope changes to Calgary ring roads and acceleration of capital projects including construction in the Northeast Alberta Transportation Corridor.
- $43.8 million over-expenditure in Provincial Highway Systems as a result of additional funding approved for highway construction in resource development areas scheduled to start in 2006-07 and additional highway maintenance work was made possible as a result of favourable winter weather conditions.

- $30.5 million over-expenditure to address operations and maintenance funding pressures.
- $35.8 million over-expenditure with Treasury Board approval of $54.1 million in additional Water for Life projects.
- $17.2 million over-expenditure related to increases in federal funding to provincial cities and communities.
- $32.5 million under-expenditure related to lower than anticipated amortization expense.

Expense by Function

In accordance with Government of Alberta accounting principles, Infrastructure and Transportation classifies its expenses into 10 functions. Each of these functions identifies the principal purpose for which Ministry expenditures are incurred. It should be noted that Expense by Function is only for operating expenditures.

Expense by Function by Dollars (in thousands)	2005-06 Budget (Estimates)	2005-06 Actual	2004-05 Actual
Transportation, Communications and Utilities	1,881,507	2,319,811	1,218,959
Health	394,329	379,272	643,069
General Government	383,167	372,638	361,931
Education	308,739	310,728	439,255
Protection of Persons and Property	30,249	34,290	31,114
Environment	25,275	24,508	25,083
Agriculture, Resource Management and Economic Development	16,106	16,022	12,889
Housing	6,240	7,068	3,371
Recreation and Culture	0	0	13,459
Regional Planning and Development	562	0	543
Total Ministry	**3,046,174**	**3,464,337**	**2,749,673**

Overall, approximately 98 per cent of the Ministry's expenditures support the functions of Transportation, Communications and Utilities; Education; Health; and General Government.

Discussion and Analysis of Results

In 2005-06, Ministry spending supported the delivery of five core businesses.

The specific Ministry programs linked to this core business include: Transportation Safety Services, the Alberta Transportation Safety Board, the Vehicle Inspection Station component of Other Infrastructure and a portion of Ministry Support Services.

Core Business One

Manage provincial transportation safety programs

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	37,061	3,267
Total Authorized	40,939	3,267
Actual Spending in 2005-06	42,061	4,352
Actual Spending in 2004-05	38,521	2,433

Several factors have influenced the Ministry's strategies and achievements under Core Business One to promote road, driver and vehicle safety. Increasing traffic volumes associated with the growth in Alberta's population has contributed to an increase in motor vehicle collisions. These collisions have a significant impact on society because of demands on medical services, insurance, police and municipal services, legal and court costs, income and productivity. Collisions, whether involving a fatality, injury or property damage, affect Albertans' quality of life. Traffic safety is a government priority and Infrastructure and Transportation has taken the initiative to engage other ministries and key stakeholders toward development of a provincial plan to reduce motor vehicle collisions.

The over-expenditure of approximately $6.1 million is primarily due to:

- $3.6 million in additional funding for transportation safety initiatives. Of this, $2.0 million was offset by an increase in revenue collected for motor transport permits and licences, caused by higher than expected economic activity in the province.
- $2.4 million for Ministry Support Services, primarily related to Information Technology projects.

The $5.5 million increase in actual spending during 2005-06 compared to 2004-05 is the result of:

- $2.7 million in additional funding for transportation safety initiatives, which was primarily offset by an increase in revenue collected for motor transport permits and licences, due to higher than expected economic activity in the province.
- $2.2 million for Ministry Support Services, primarily related to Information Technology projects.

GOAL 1
Improve driver, vehicle, carrier, road and rail safety

Strategic Approach

- Develop a cross-ministry strategy and Alberta Traffic Safety Plan to reduce fatalities and injuries on Alberta's roadways.
- Pursue initiatives under Road Safety Vision 2010, Canada's national road safety strategy to meet national goals and make Alberta's roads safer.
- Enhance the safety of children through programs and initiatives focusing on child safety seats, bicycle helmets and other safety programs targeted to school age children.
- Continue implementation of the Graduated Driver Licensing program to enhance the safety skills of new drivers.
- Undertake safety audits at the highway planning and design stage to ensure overall integration of geometrics, traffic signals, pavement markings and other specialties, and identify rest area and roadside turnout needs in conjunction with highway improvements.
- Improve commercial driver competency through driver-training initiatives, hours of service regulation, fatigue management counter measures, and development and monitoring of commercial driver profiles with other jurisdictions.
- Improve highway safety by implementing enhanced elements to the national driver licensing reciprocity agreement, including security provisions.
- Improve highway safety through Intelligent Transportation Systems, including dynamic message signs and Road Weather Information Systems to enhance information for road users.
- Ensure commercial vehicle safety through mandated inspection and on-highway inspection programs.
- Renew the partnership with Transport Canada to ensure that the transportation of dangerous goods, a major component of Alberta's exports, is safe and secure within Alberta.
- Monitor provincial railways to ensure railway infrastructure and equipment conform to standards.
- Ensure the Transportation Safety Board has the resources it needs to conduct timely, fair and impartial appeals of departmental decisions concerning road and rail safety.

Alberta has over 2.5 million licensed drivers.

More than 300,000 of these licensed drivers are designated as professional.

The Alberta Traffic Safety Plan was prepared as a priority initiative to save lives and reduce injuries on Alberta's highways. The plan outlines partnerships required to implement a broad range of actions involving road users, roadways and motor vehicles. Other ministries collaborating on the plan included Solicitor General and Public Security, Justice and Attorney General, and nine other ministries.

Results

- Facilitated the passage of the ***Traffic Safety Amendment Act 2005*** in the Legislature in May 2005 to clarify issues arising from the ***Traffic Safety Act (2003)***.
- Provided safety awareness information for the motoring public on school bus safety, recreational vehicles, playground zones, child safety seats, seat belts, bicycle helmets, motorcycles and facts regarding impaired driving. The information supports Road Safety Vision 2010, which has a goal of making Canada's roads the safest in the world by 2010.
- Introduced the Advanced Road Test on May 20, 2005, which signalled another step in the implementation of the Graduated Driver Licensing program.

Graduated Driver Licensing (GDL) assists new drivers to develop skills in a more controlled environment. To obtain a full licence, drivers under the GDL must pass the Advanced Road Test, which assesses knowledge, motor and perceptual skills.

- Developed security provisions in cooperation with Canadian and American motor vehicle administrators to enhance driver licensing standards, card and identification security and reciprocity. The provisions include a national driver reciprocity agreement to be incorporated into the Canadian Driver Licence Agreement, with the goal of achieving one driver, one licence and one record in North America.
- Began the renewal process on the long-term partnership with Transport Canada to ensure the transportation of dangerous goods is safe and secure within Alberta.
- Partnered with the Transportation Training and Development Association and Red Deer College to develop a commercial vehicle education manual. The manual will assist operators with all regulatory and program requirements of starting and maintaining a commercial vehicle operation in Alberta.

Drive West is a partnership between the governments of Canada, Alberta and British Columbia, the Alberta Motor Association and the IBI Group.

- Tested the progression of counter measures to driver fatigue through the first two phases of a pilot program. The final phase is underway and will take 18 months to complete. Additional work was conducted to develop and monitor commercial driver profiles with all jurisdictions.
- Phased in the new cargo securement regulation for commercial vehicles, including a corresponding six-month education period.
- Introduced new standards for screening applicants to conduct vehicle inspections under provincial authority.
- Installed Intelligent Transportation Systems, including 25 Road Weather Information System stations and 230 snowplow trucks equipped with Automated Vehicle Location Systems. An advanced Traveller Information System was also pilot tested.
- Completed a pilot project with the Drive West group to provide real-time information on road conditions to travellers through a website covering the Queen Elizabeth II Highway between Edmonton and Calgary and Trans-Canada Highway 1 from Calgary through Banff National Park to the British Columbia border. Information on the website (www.drive-west.com) also includes highway closures, delays, incidents and

construction zones. Motorists are able to use this information to plan trips and avoid congestion at collision or construction sites allowing emergency responders or construction crews to complete their work sooner.

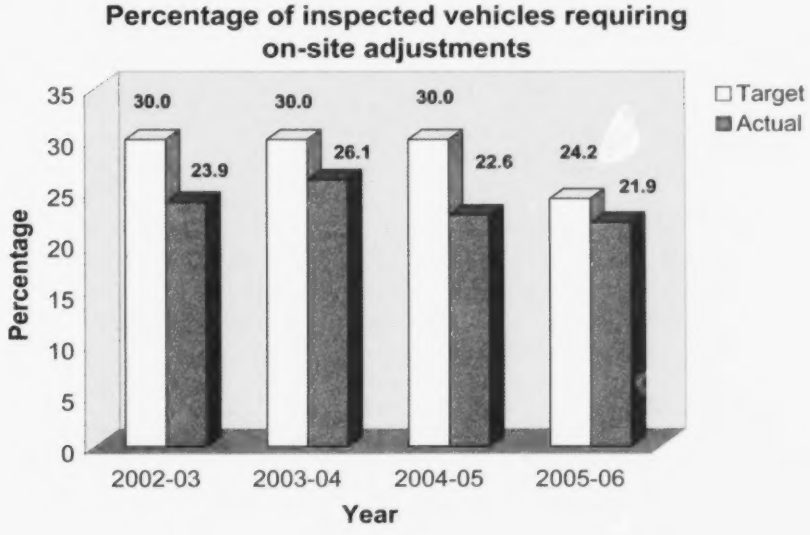
- Worked with the Heritage Railway Association to develop safe operating rules while recognizing the unique nature of the vintage equipment.

Infrastructure and Transportation has legislative responsibility for three public railways, 250 industrial railways and six amusement railways in the province.

Performance Measures

Infrastructure and Transportation utilized five measures to indicate how well it achieved Goal 1 in 2005-06.[1]

Mechanical Safety of Commercial Vehicles
Measure 1.a



This measure represents the percentage of a random sample of commercial vehicles that have been rendered out-of-service when inspected at roadside checks by Ministry staff.

In 2005-06, a total of 448 commercial vehicles were inspected. Of these vehicles, 98 (21.9 per cent) required on-site adjustments, which is lower than the target of 24.2 per cent. The lower the percentage, the better the result.

To allow for comparison to the 2005-06 performance, results for prior years reflect the consolidation of the two former measures, Percentage of Inspected Vehicles Requiring On-Site Adjustments and Percentage of Inspected Vehicles Requiring the Attention of a Mechanic.

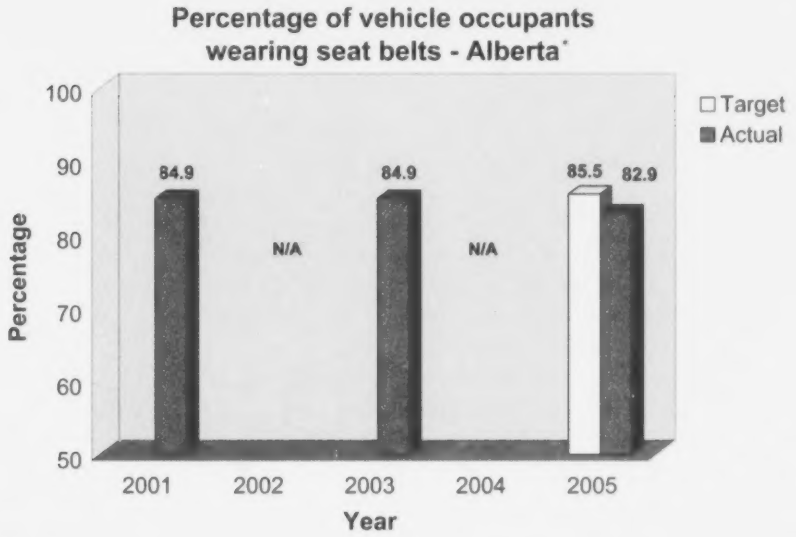
[1] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

The Ministry continues to work with the commercial carrier industry to enhance safety on Alberta's highways through ongoing education and enforcement programs. Programs such as Partners in Compliance (PIC) allow commercial carriers with exemplary safety records to self-monitor. The program also provides incentives for commercial carriers to ensure their equipment and business operations meet all prescribed safety criteria. In keeping with the Commercial Vehicle Safety Alliance, commercial vehicles over 4,500 kg are inspected throughout the year to ensure commercial vehicles travelling on Alberta's highways comply with all safety standards.

Growing inter-provincial and international trade combined with the need for quick, efficient transport has led to a significant increase in the number of trucks on Alberta's highways. In addition to domestic commercial road traffic, there was over $13 billion in international trade shipped by trucks to and from Alberta in 2005.

Continued economic growth and the need to get goods to market means more commercial traffic on Alberta's highway system. Just-in-time marketing and congestion at west coast ports also contribute to suppliers shipping their goods by truck rather than using other modes such as rail. Public awareness of road safety issues continues to put pressure on government to improve its monitoring of commercial carrier traffic. As a result, Infrastructure and Transportation has increased its capacity to undertake inspections and monitor commercial vehicles.

Seat Belt Usage - Alberta
Measure 1.b

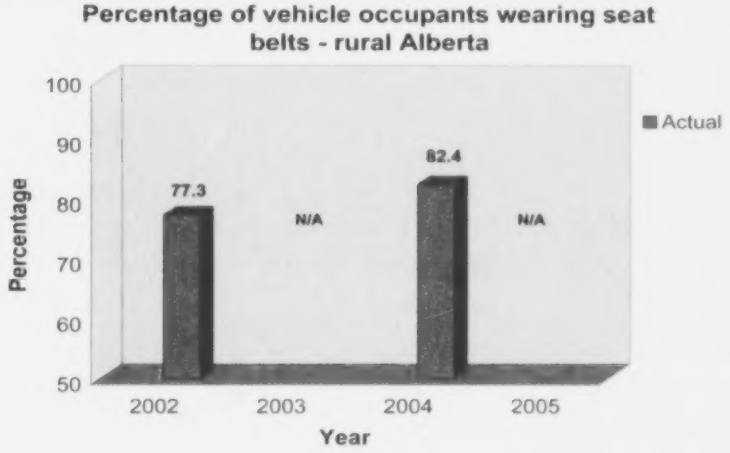


*Includes rural and urban Alberta.

This measure describes the percentage of seat belt use for light duty vehicles in the province. By tracking seat belt usage, compliance rates can be identified and further analysis conducted to determine methods of improvement.

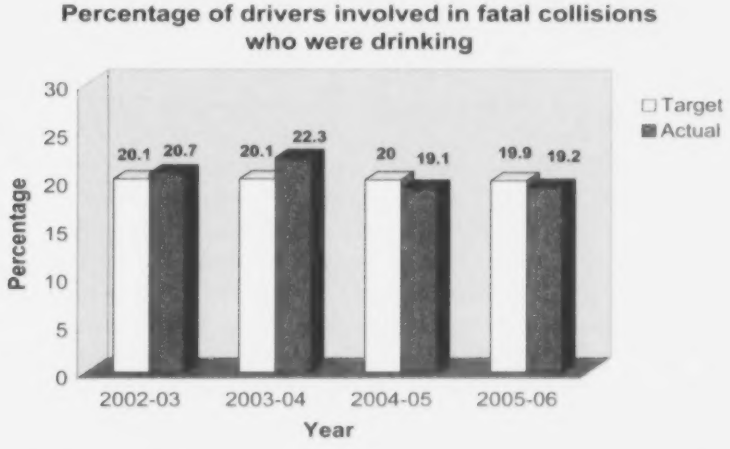
The growing population and increasing number of licensed vehicle operators exerts pressure on Alberta to continue improving strategies advocating the benefits of wearing seat belts. The Ministry's target is to reach compliance rates of 95 per cent by 2010, matching Canada's national target despite the apparent declining trend in seat belt use.

Seat Belt Usage – Rural Alberta
Measure 1.c



Measured every second year - not measured in 2005.

Involvement of Drinking Drivers in Fatal Collisions
Measure 1.d



This measure indicates the percentage of vehicle operators involved in fatal collisions who had consumed alcohol before the collision.

Involvement of Drinking Drivers in Injury Collisions
Measure 1.e

This measure indicates the percentage of vehicle operators involved in injury collisions who were judged to have had consumed alcohol before the collision.

The Ministry continued its efforts to educate drivers about the dangers of drinking and driving. During 2005-06, there were a total of 24,749 drivers involved in casualty collisions (fatal and injury) in the province for whom a driver condition was specified on the collision report form. Of these, 19.2 per cent of drivers in fatal collisions were judged to have consumed alcohol prior to the collision, below the target of 19.9 per cent.

In addition, 5.3 per cent of drivers who were involved in injury collisions were judged to have consumed alcohol prior to the collision. This compares to the target of 4.6 per cent. The figures have decreased 0.1 percentage points and increased 0.5 percentage points respectively over the prior year's results. As the severity of the collision increased, the involvement of alcohol dramatically increased.

In order to educate current and future drivers of the dangers of drinking and driving, Infrastructure and Transportation, with its many traffic safety partners, continued to undertake awareness, education and enforcement programs throughout the year. Initiatives such as the Ignition Inter-Lock Program and periodic check stops deter drinking and driving. From its inception in December 1999 to March 2006, the Alberta Administrative Licence Suspension (AALS) program has resulted in 46,007 suspensions of Alberta drivers who were charged with having a breath or blood sample over 0.08 blood alcohol level or refusing a breath or blood sample demand.

The Graduated Driver Licensing Program introduced on May 20, 2003 includes a zero alcohol tolerance provision, which continues while a driver is in either the learner or probationary category. This reinforces Alberta's position against impaired driving. There have been 735 Alberta zero alcohol tolerance (AZAT) suspensions initiated between May 2003 and March 2006.

Core Business Two
Plan, develop and manage government-owned infrastructure

Specific Ministry programs linked to this core business include Property Operations, Leases, Swan Hills Treatment Centre, Capital and Accommodation Projects, Government-Owned Facilities Maintenance, Site Environmental Services, Provincial Highway Systems, Strategic Economic Corridor Investment Initiative, Water Management Infrastructure, a portion of Program Support and Ministry Support Services, as well as non-cash items such as Amortization, Consumption of Inventory (Sand, Salt and Gravel) and Nominal Sum Disposals.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	958,549	802,166
Total Authorized	1,007,239	1,080,745
Actual Spending in 2005-06	953,990	880,067
Actual Spending in 2004-05	921,770	623,481

Factors impacting the Ministry's ability to manage government-owned roads, water/wastewater systems and buildings include the age and level of maintenance provided to preserve the infrastructure. In 2005-06, the provincial population continued to increase, creating challenges as a result of a rapid pace of growth in urban areas. Alberta's economic strength and continuous growth continued to place increasing demands on the provincial highway network in terms of safety and efficiency.

Alberta's demographic profile also reflects an older population expecting to continue to use transportation systems and access public buildings. Both urban and rural communities are experiencing changes in their needs for public facilities.

The total over-expenditure of $73.3 million relative to planned spending during the 2005-06 fiscal year was primarily due to:

- $54.2 million over-expenditure for the Strategic Economic Corridor Initiative. The increase was due to additional funding approved for cost increases on the Anthony Henday southwest ring road, scope changes to Calgary ring roads and acceleration of capital projects including construction in the Northeast Alberta Transportation Corridor.

- $43.8 million over-expenditure in Provincial Highway Systems, as a result of additional funding approved for highway construction in resource development areas and additional highway maintenance work, which was made possible as a result of favourable winter weather conditions.
- $14.9 million over-expenditure due to the commencement of the Capital for Emergent Projects program during 2005-06.
- 39.6 million under-expenditure in Non-Cash Items related to a lower than anticipated amortization expense, and the amount of sand and gravel being required for road maintenance.

The overall net increase of $288.8 million in spending in 2005-06 compared to 2004-05 is primarily due to:

- $209.9 million increase in the Strategic Economic Corridor Investment Initiative attributed to the additional funding approved for cost increases on the Anthony Henday southwest ring road, scope changes to Calgary ring roads and acceleration of capital projects including construction in the Northeast Alberta Transportation Corridor.
- $74.3 million increase for Capital and Accommodation Projects as a result of advancement of the Calgary Courts Centre project in 2005-06, in response to a required increase in levels of funding for the heavier construction phase.

Maintaining existing infrastructure and developing new facilities while protecting the environment are ongoing initiatives undertaken by the strategies under goals in Core Business Two.

Alberta has 30,860 kilometres of road in its highway network. Approximately 26,520 kilometres are paved and 4,340 are graveled.

There are approximately 4,000 bridge structures in the provincial highway network.

GOAL 2
Improve the safety, efficiency and effectiveness of provincial highway infrastructure

Strategic Approach

- Through innovation, improve highway design, construction and preservation, including research on safety, engineering and Intelligent Transportation Systems.
- Develop a strategy to minimize deterioration of provincial highways, thereby reducing the amount of deferred preservation.
- Implement a state-of-the-art Transportation Infrastructure Management System.
- Develop the Provincial Freeway Corridor Management Plan which will identify future interchange and bypass locations and assist in long-term planning of the provincial highway network.

- Develop and proceed with implementation of a northern highways strategy to improve the effectiveness and efficiency of strategic northern corridors.
- Employ innovative approaches to monitor, enforce and manage truck weight, dimension and safety limits on provincial highways.
- Commence rationalization of the provincial highway network in partnership with local municipalities to ensure local and provincial needs are met.
- Pursue opportunities to develop cost-shared joint-use vehicle inspection stations with adjacent jurisdictions to enhance efficiencies and ensure consistency among the provinces.

Alberta's Highway 2 between Edmonton and Calgary was renamed the Queen Elizabeth II Highway in honour of Her Majesty's centennial visit in the summer of 2005.

Results

- Increased the amount of seal coat applied to highways to minimize deterioration of the highway network.
- Continued research on highway design improvements through the wise use of modified asphalt products. Testing the advanced properties of an asphalt mixture was done to obtain information for future evaluation of pavement performance. Asphalt rubber trial sections on Highways 2A and 16 and trials with seal coating methods and materials are under evaluation.
- Employed Intelligent Transportation Systems projects to enhance winter maintenance, traffic management and traveller information.
- Implemented the Geographic Information System, a major module of TIMS. The application allows a user to view digital video logs for the entire province. Other features implemented include an improved ability to conduct queries and generate reports.
- Completed a three-year project to collect highway inventory data through digital video logs. The data is used in evaluating performance of road surfaces, designing pavement overlays and determining when roadways should be rebuilt to continue to meet standards.
- Developed a Provincial Freeway Corridor Management Plan as part of the long-term planning process for the provincial highway network. The plan identifies future interchange and bypass locations for the national Highway System sections of Highways 1, 2, 3, 4, 16, 43, 49 as well as a portion of Highway 11. Study areas were also identified along these highways near communities where highway realignments will be required to meet freeway standards in the future.
- Opened a six-kilometre section of Anthony Henday Drive in southwest Edmonton to traffic on November 8, 2005. This section includes new twin bridges over the North Saskatchewan River with an illuminated pedestrian walkway underneath the bridge deck of the southbound bridge. Although each bridge was opened with two lanes, the bridges are designed to accommodate four lanes of traffic in the future.

The Transportation Infrastructure Management System (TIMS) is an advanced knowledge management system, which provides the Ministry with valuable information for decision-making and long-range planning.

Commemorating the Year of the Veteran, Highway 36 was renamed the Veterans Memorial Highway in remembrance of the sacrifices and contributions Alberta veterans have made to the province.

- Held a series of open houses to provide an opportunity for City of Calgary and Tsuu T'ina Nation residents to view preliminary plans for the southwest portion of the Calgary ring road.
- Improved the effectiveness and efficiency of strategic northern corridors with 24 kilometres of new pavement on Highway 881 between Lac La Biche and Fort McMurray.
- Twinned 44 kilometres of Highway 43 between Edmonton and Grande Prairie.
- Processed 190,356 permits through the Transportation and Vehicle Information Systems (TRAVIS) permit system. Managing highway truck traffic to minimize the damage done to highways by overweight and over dimension vehicles supports the Ministry's continual efforts to monitor, enforce and manage truck weight, dimensions and safety limits on provincial highways.
- Completed a number of long-term projects, including the Cassils Road interchange on Highway 1 near Brooks, the Douglasdale interchange on Deerfoot Trail in Calgary, the South Innisfail interchange, the Campsite Road interchange on Highway 16 near Spruce Grove and two interchanges in Edmonton on Anthony Henday Drive at Whitemud Drive and 87th Avenue.
- Developed a design for a joint-use vehicle inspection station in collaboration with British Columbia to meet the requirements of both provinces. The future one-stop inspection station will provide consistent documentation and be more efficient for each province as well as for commercial drivers.
- Began a program to retrofit traffic signals and beacons on provincial highways with new LED lamps, providing lower operating and maintenance costs and reducing emissions into the environment by using less energy.
- Entered an agreement with the oil sands industry to permanently relocate utility lines along high-load highway routes between Edmonton and Fort McMurray, in exchange for the province eliminating high-load corridor permit fees for those routes. Over time, this will eliminate expensive delays and congestion, reducing interruption of power for wire lifting, and improving safety and flexibility when moving large loads.

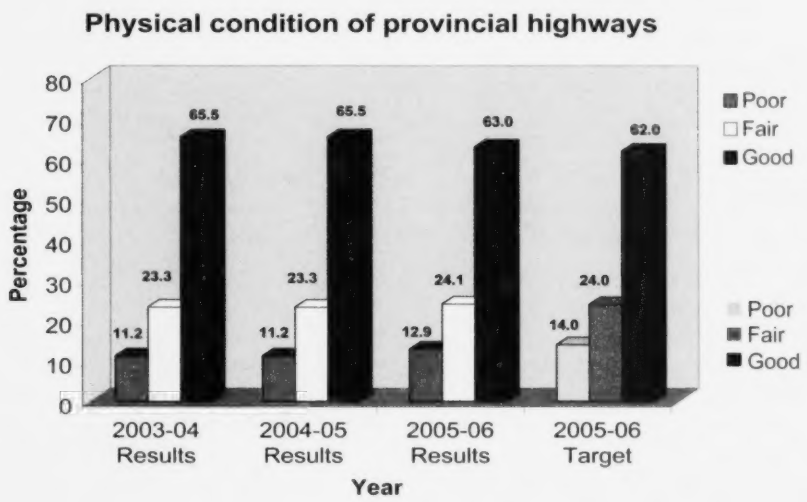
Anthony Henday Drive's southwest road surface is made with Portland Cement concrete, which requires less maintenance than traditional asphalt and is expected to last twice as long as asphalt.

Light Emitting Diode (LED) lamps provide energy savings of 80 to 90 per cent and last up to 10 times longer than incandescent bulbs.

Performance Measures

Infrastructure and Transportation utilized six measures to indicate how well it achieved Goal 2 in 2005-06.[2]

Physical Condition of Provincial Highways
Measure 2.a



The physical condition measure defines the percentage of the paved highway network that is in good, fair and poor condition. The International Roughness Index (IRI) is used to measure the roughness of roads and to categorize overall physical condition. The segments in poor and fair condition are those that require attention now or in the near future.

The condition measure was established to ensure that the quality of the paved highway network will be sustained and that business, pleasure and commercial traffic can travel in safety and with comfort. This is important in ensuring future growth and in maintaining present levels of economic development.

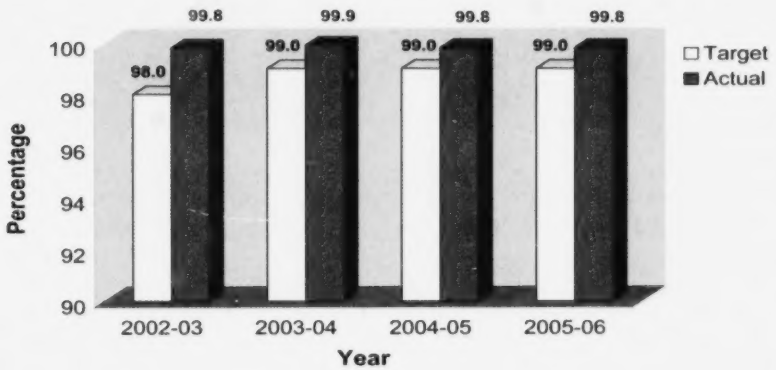
The results for 2005-06 indicate that the percentages of paved highway in good, fair and poor condition are 63.0 per cent, 24.1 per cent and 12.9 per cent respectively. This compares to business plan targets of 62.0 per cent, 24.0 per cent and 14.0 per cent. It should be noted that the percentage in poor condition increased by 1.7 per cent (approximately 700 kilometres) from the 2004-05 values.

[2] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Utilization of Provincial Highways
Measure 2.b

Approximately 8,100 kilometres of Alberta's paved provincial highways are approaching an age where rehabilitation/reconstruction must be considered. This is an increase of 1,100 kilometres from 2004-05. The volume of paved surface constructed in the early 1980s indicates that approximately 1,800 kilometres of highway should be resurfaced each year.

Percentage of provincial highways that accommodate current traffic volumes to the required level of service



The utilization measure defines the percentage of the highway network that is equal to, or better, than a targeted Level of Service (LOS)*. If a highway meets or exceeds this targeted level, it is being utilized as planned.

The utilization measure was established to ensure that people and goods continue to move freely on provincial highways and allow for future economic growth. It provides a planning tool for determining when future capital expenditure is required. Infrastructure and Transportation strives for effective planning and programming of provincial highways to ensure proper utilization.

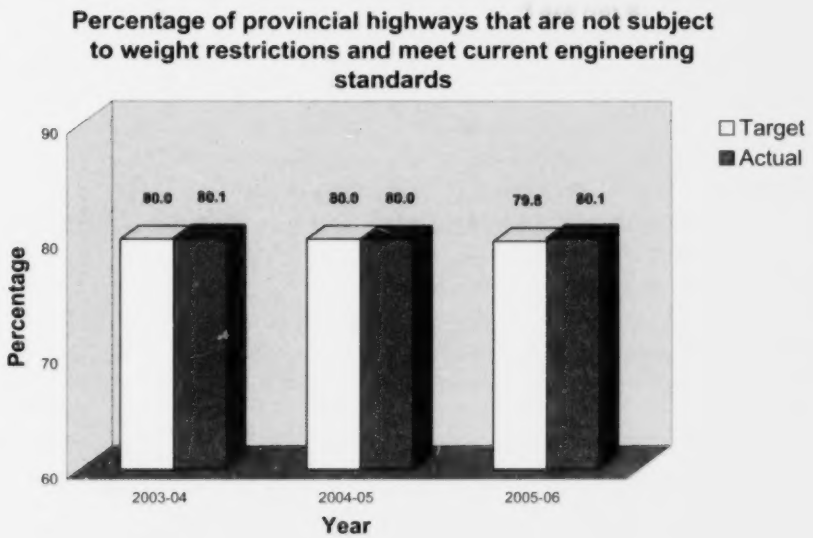
Year	LOS A	LOS B	LOS C	Total
2002-03	91.1	7.0	1.7	**99.8**
2003-04	90.9	7.2	1.8	**99.9**
2004-05	90.4	7.6	1.8	**99.8**
2005-06	90.9	6.8	2.1	**99.8**

The 2005-06 result of 99.8 per cent at LOS level C and above has exceeded the target of 99 per cent, which is consistent with results obtained in previous years.

*See Performance Measure Data Sources and Methodologies section for detailed description of levels of service.

Functional Adequacy of Provincial Highways
Measure 2.c

Alberta continued to experience substantial population and economic growth in 2005-06. These growth patterns lead to more people travelling Alberta's highways. As the number of people using the provincial highway system increases, ensuring that goods and people move freely is a priority. Businesses and people want to know that their goods are getting to market as quickly as possible. By monitoring the traffic demand on highways, Infrastructure and Transportation can better plan for future highway upgrading.



This measure defines the percentage of provincial highways that meet target criteria for functional adequacy. A provincial highway is functionally adequate if the roadway meets acceptable width standards, is free of road bans, has horizontal curves that allow normal travel speeds, and has a paved surface where required. The target criteria relate to surface width, horizontal curve geometrics, surface types and weight restrictions (road bans).

The results for 2005-06 indicate that 80.1 per cent of provincial highways are functionally adequate, which is slightly higher than the target of 79.8 per cent.

The functional adequacy measure was established to ensure that the existing highway network is upgraded where necessary to meet standards so that the public can travel safely. It also has a component to address truck traffic restrictions on provincial highways.

The functional deficiencies for 2005-06 compared to 2004-05 are broken down as follows:

2004-05		2005-06	
Road Bans	13.8%	Road Bans	13.9%
Width	3.9%	Width	4.3%
Geometrics	3.0%	Geometrics	2.9%
Surface Type	1.1%	Surface Type	0.7%
Total	**21.8%**	**Total**	**21.8%**

The total percentage of highways with deficiencies will be less than the sum of the above individual deficiencies because certain segments have deficiencies in more than one area. For the 2005-06 result, this value is 1.9 per cent, for 2004-05, the difference between the sum of deficiencies and the total deficiency was 1.8 per cent.

- Road bans were essentially unchanged from 2004-05.
- Width deficiencies increased from 3.9 per cent to 4.3 per cent (approximately by 130 kilometres) primarily because of increases in traffic volumes on specific highways in 2005-06.
- Geometric deficiencies are essentially unchanged from 2004-05.
- Surface type deficiencies decreased from 1.1 per cent to 0.7 per cent due to a refinement in the counting of traffic volumes on several gravel highways in 2005-06.

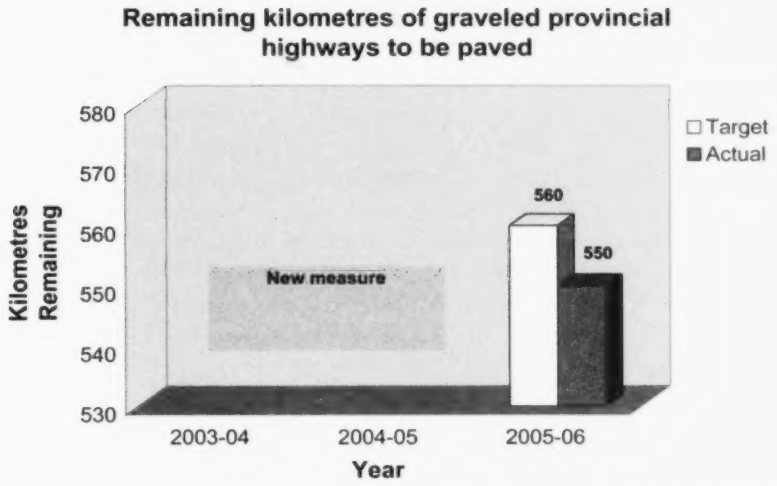
The total of the individual component deficiencies remains the same as it was in 2004-05. Width and road ban deficiencies increased by 0.4 per cent and 0.1 per cent respectively. This was offset by a decrease in geometrics and surface type deficiencies.

Rapid population growth throughout Alberta has meant that more development is occurring and urban areas are expanding. Roads that carry higher amounts of traffic because they are located near, or provide access to new developments, may no longer be rated functionally adequate because the road is too narrow for the increased traffic levels. Traffic growth also will require that certain gravel roadways be paved.

Driver behaviour on roadways can lead to unexpected incidents where changes in vehicle speeds are necessary. To improve overall road safety, it is important that consideration be given to reconstructing existing curves that require a reduction in speed as opportunities arise.

An increased amount of truck traffic on the highway network can also lead to a demand for less weight restrictions (road bans) on certain roadways.

Provincial Highway Paving
Measure 2.d



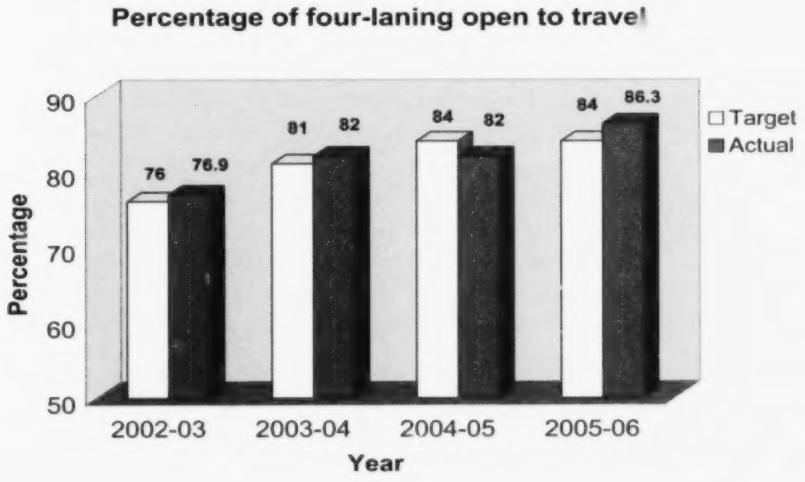
This measure defines the remaining kilometres of provincial gravel highways that require paving based on either a traffic volume of over 400 vehicles per day or to ensure surface continuity on strategic roads.

The paving of gravel roads on strategic corridors can promote economic development in rural areas of the province. As well, gravel roadways are only able to safely accommodate certain traffic volumes.

At the end of 2005-06, there were 550 kilometres of gravel highway requiring paving, surpassing the target of 560 kilometres.

The paving of gravel highways to increase service to rural areas remains a priority. However, such projects require continued prioritization against other projects such as highway reconstruction and rehabilitation.

Construction Progress on the North-South Trade Corridor
Measure 2.e



This measure is the percentage (urban and rural) of the North-South Trade Corridor that is twinned and open to travel. The corridor extends from Coutts at the Alberta-United States border to the British Columbia border west of Grande Prairie, connecting Alberta to the Alaska Highway. It consists of approximately 1,170 kilometres of highway, of which nearly 100 kilometres are within various city limits.

Alberta's North-South Trade Corridor is vital to the efficient movement of goods across the Canada-United States border at Coutts. Alberta is Western Canada's largest economy in terms of exports to the United States. In 2005, an estimated $71 billion worth of goods was exported via this route, which accounted for 91 per cent of total provincial exports.

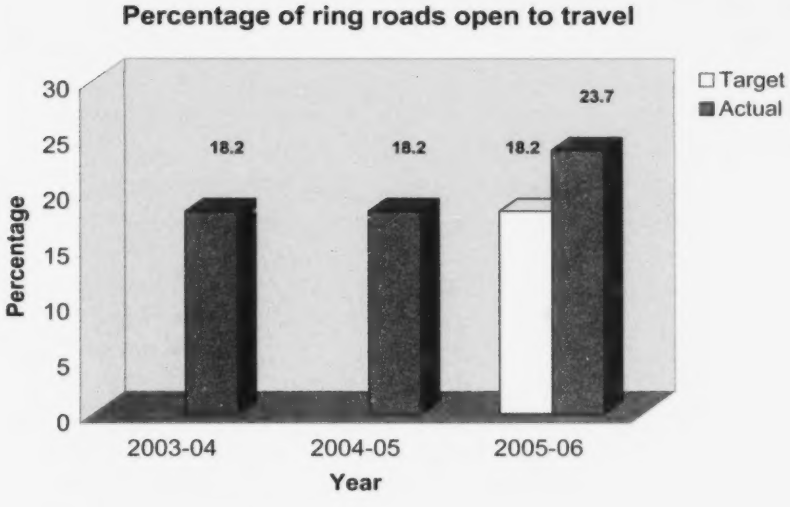
The North-South Trade Corridor forms a critical part of the CANAMEX (CANada/AMerica/MEXico) Corridor, which links the three countries and stretches some 6,000 kilometres from Anchorage, Alaska to Mexico City, Mexico. The goals of the CANAMEX Corridor are to improve access for the north-south flow of goods and people; increase transport productivity and reduce transport costs; promote a seamless and efficient inter-modal transport system; and reduce administration and enforcement costs through harmonized regulations.

On a national scale, trade with the United States and Mexico continues to grow. In 2005-06, trade in excess of $599 billion (about $1.6 billion per day) crossed the Canada-United States border. To continue to enhance Alberta's economic competitiveness, the transportation industry must be able to respond to the demands generated by the opening of new markets, just-in-time manufacturing and retailing, and e-business.

Continued twinning of the North-South Trade Corridor will enhance the travelling public's safety while reducing costs for the trucking industry through time-savings. Measuring completion of North-South Trade Corridor twinning demonstrates the importance of continued development of this major trade route.

Infrastructure and Transportation has completed twinning 86.3 per cent of the North-South Trade Corridor, exceeding its 2005-06 target of 84.0 per cent. An additional 50 kilometres of four-lane highway was completed, yielding a total length of multi-lane highway of 1,007 kilometres. Values have been adjusted from those shown in previous annual reports as lengths of completed work and the corridor were refined and calculations corrected.

The completion of the North-South Trade Corridor remains a priority. Projects along this corridor required continued prioritization against other strategic initiatives such as the ring roads in Calgary and Edmonton.



Ring Roads in Edmonton and Calgary
Measure 2.f

This measure captures the percentage of ring roads in Edmonton and Calgary that are open to travel as a multi-lane facility. The total corridor length consists of approximately 99 kilometres in Calgary and 80 kilometres in Edmonton.

The development of ring roads in the province's two major metropolitan areas is of paramount importance to economic development in the province and to ensure efficient and effective transportation systems in these two cities.

At the end of 2005-06, 23.7 per cent of the ring roads in Edmonton and Calgary were open to travel as multi-lane facilities. This is an increase of 5.5 per cent from 2004-05. This increase is due to the partial opening of Anthony Henday Drive in Edmonton, and the partial completion of Stoney Trail and Marquis of Lorne Trail in Calgary to multi-lane standards.

Alternative methods of financing, such as public-private partnerships (P3s), are an option for the provincial government to enable the ring roads in the two major metropolitan centres to be completed in an accelerated fashion. The southeast section of the Edmonton ring road is being implemented using a P3 and is scheduled to be completed in 2007.

GOAL 3
Ensure safe and effective water management infrastructure on behalf of Environment

Strategic Approach

- Complete construction of projects and continue rehabilitation of the main canal of the Carseland/Bow River system to ensure a secure water supply to the area.
- Develop a multi-year rehabilitation program for Alberta Northern Erosion Control Program projects in conjunction with Environment.
- Develop a program to rehabilitate provincially supported water drainage infrastructure.
- Rehabilitate and maintain provincially owned water management infrastructure through efficient planning and resource allocation.

Alberta has 150 major water management facilities including dams, diversion works, weirs and control structures.

These facilities secure water for 55 municipalities and approximately 1.3 million acres of irrigated land.

The province has over 500 kilometres of main irrigation canals.

Results

Infrastructure and Transportation, in conjunction with Environment, is committed to ensuring Albertans have safe and effective water management infrastructure and a secure water supply for municipal, domestic, agriculture, industry, recreation and other purposes. Projects include construction and rehabilitation of dams, reservoirs and canals. Some of the work includes construction of flood management and erosion control measures, such as dykes and bank armouring.

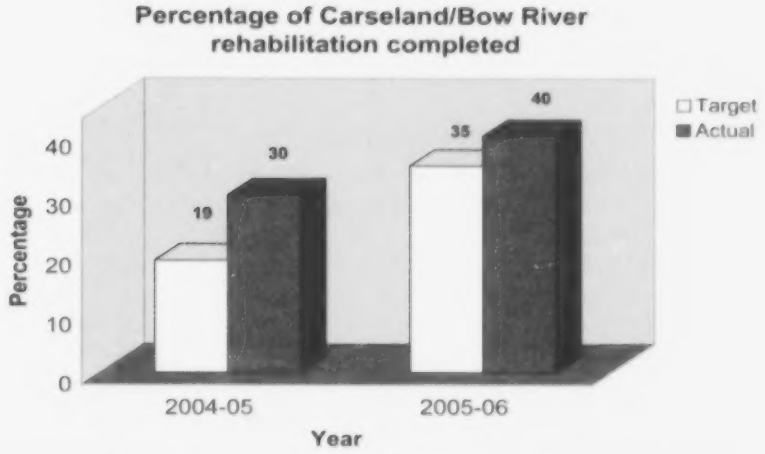
Business plan strategies resulted in the following key accomplishments to enhance water and wastewater systems in 2005-06:

- Continued progress on the multi-year Carseland/Bow Headworks, a major water management project to restore the main canal of the Carseland/Bow River system and secure a continuing water supply for the area.
- Identified 47 projects for rehabilitation under the Northern Erosion Control Program. A three-year program was developed in collaboration with Environment and work commenced on two projects.
- Developed an action plan for the repair of water infrastructure encompassing construction on 12 projects, including dams, canals, spillways, dykes and reservoirs.
- Developed three and five-year rehabilitation programs for provincially owned water management infrastructure as part of an effective water resource allocation activity.

Performance Measure

Infrastructure and Transportation utilized one measure to indicate how well it achieved Goal 3 in 2005-06.[3]

[3]See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.



Progress on Completion of Major Water Management Construction Projects
Measure 3.a

This measure reflects the construction progress on a major water management project - Carseland/Bow River Headworks Rehabilitation.

By measuring the construction progress on major water management projects, Infrastructure and Transportation is able to demonstrate its ability to successfully complete these important projects, helping to ensure the province is able to meet its water management objectives.

In 2005-06, 40 per cent of the Carseland/Bow River project was completed, exceeding the target of 35 per cent. This was due to the availability of funding that allowed advancement of construction contracts.

The percentage of completion is determined by dividing the actual construction costs incurred by the total estimated construction costs for the project. A number of related activities preceding construction are not reflected in this measure, including design, land acquisition and obtaining regulatory approvals.

The primary trends impacting the outcome of this measure include increasing construction costs, weather and the ability of the contractor to meet the project schedule. Such trends are monitored very closely and adjustments made as needed.

GOAL 4
In partnership with all ministries, effectively plan and manage government owned and leased facilities to support the delivery of government programs

Strategic Approach

- Develop, maintain and implement accommodation plans for government clients.

Properties include courts, correctional centres, historic sites, museums, interpretive centres, laboratories, general office space, group homes, residences, recreational facilities, education/training facilities, legislative facilities, maintenance and services properties, warehouses, parking and multi-use facilities.

Combined facilities comprise:

- 1,749 Owned buildings with 19.6 million sq. ft. of facility space.
- 294 Leased buildings with 5.9 million sq. ft. of facility space.

- Address physical building and site security needs in government buildings in collaboration with partners.
- Assist government departments and agencies in development and implementation of emergency response and safety plans for government owned and leased buildings across the province.
- Ensure accessibility needs for persons with disabilities are fully considered in ministry building design standards, policies, programs and projects.
- Apply risk management and remediation initiatives to address environmental concerns at properties owned by government.
- Monitor energy efficiency and operating costs of government owned and leased facilities and make cost-effective improvements.
- Incorporate best practices in indoor air quality standards and ensure appropriate processes are followed to address any incidents, such as mould, that may occur.
- Minimize the net cost to government through operating the Swan Hills Treatment Centre in a safe and efficient manner.

Infrastructure and Transportation provides support to all ministries through planning and managing government owned and leased facilities. Accommodation services are provided to effectively facilitate government's delivery of programs and may range from leasing arrangements to construction of new facilities or major upgrades and renovations. In 2005-06, a total of 288 projects were managed on behalf of ministries in response to service requests.

Results

- Accepted a partnership with the David Thompson Health Region for the redevelopment and ownership of the South Administration building at Michener Centre in Red Deer. After concluding there were no government programming requirements for the building, government issued a request for proposal for other uses for the building. The facility will be historically reconstructed and expanded to consolidate the health region's administrative functions under one roof.
- Continued construction work on the Calgary Courts Centre. The facility is scheduled for completion in 2007.
- Continued construction of the Agrivalue Business Incubator Facility in Leduc. The new facility provides space for business development programs supporting agriculture-based processing businesses.
- Completed construction of a state-of-the-art Level 3 Biocontainment Laboratory in Edmonton. The two-storey facility increases Alberta's ability to test for the presence of livestock diseases while maintaining a high level of safety for workers. Its modular design allows the testing areas to be expanded or modified when required and the lab's many safety features include stringent air and specialized waste handling systems.

- Completed a security review of Government of Alberta buildings and developed a security strategy. Implementation planning commenced and took into consideration how security improvements could be undertaken during major maintenance work.
- Provided planning and advisory services to all ministries in the development and implementation of effective and coordinated emergency response plans. Updates were conducted on guidelines and templates for facilities and a website was developed as part of government's facility emergency planning program.
- Completed 25 barrier-free projects throughout the province in 2005-06 as part of a continued commitment to providing barrier-free access to government-owned facilities. Work included modifications to curbs and walkways, adding door openers, modifying washrooms to allow wheelchair access, modifying elevator operation panels to allow easier access for persons in wheelchairs and providing seating space for disabled persons in auditoriums.
- Embarked on an environmental clean-up plan for the Turner Valley Gas Plant in conjunction with Community Development and Environment. Severe flooding during the summer of 2005 destroyed part of an earlier diversion of the Sheep River and work in the fall of 2005 temporarily re-established the diversion. Planning started for the construction of a permanent containment system to prevent hydrocarbons and other contaminants from moving off-site and mitigate risk if there is future flooding.
- Adopted new environmental standards for operation of major provincial government buildings. The McDougall Centre in Calgary and the Alberta Research Council in Edmonton are the first two government-owned facilities to have received BOMA Go Green certification.
- Continued safe and effective disposal of hazardous material at the Swan Hills Treatment Centre. The overall net operating cost to government decreased from $11.7 million in 2004-05 to $9.3 million in 2005-06. The Ministry and operator continue to review options to reduce operating costs. The Centre's operating licence was renewed for another ten years by provincial and federal departments, which indicates the plant is in full compliance with environmental standards and legislation.
- Completed a Building Mould Risk Assessment and Management Program in collaboration with the Alberta Research Council.
- Provided project management services for refurbishment of the Canmore Nordic Centre, which re-opened for public skiing and hosted the 2005 Cross-Country Skiing World Cup.
- Approved adoption of the Leadership in Energy and Environmental Design (LEED) Silver rating as a standard for new buildings, in support of sustainable design and energy efficiency.
- The Lois Hole Memorial Garden was created on the Alberta Legislature south grounds in memory of former Lieutenant Governor Lois Hole.

The old Wetaskiwin courthouse was sold to the City of Wetaskiwin to become the new City Hall. The building was previously designated a provincial and national historic site and will undergo restoration for its new use.

The Turner Valley Gas Plant is a designated Provincial Historic Resource. It is the earliest and best surviving example of a gas plant in Canada.

The Go Green certificate program is operated by the Building Owners and Managers Association (BOMA).

BOMA establishes sound building operation performance standards in the areas of energy use, water use, construction waste, recycling, hazardous materials, materials selection, ozone depleting substances, heating ventilating and air conditioning maintenance, indoor air quality and building occupant communication.

Working with other ministries, Infrastructure and Transportation was involved with development of legacy facilities in honour of Alberta's centennial. Some of the major projects included:

- Six stained glass windows were unveiled at the Alberta Legislature to commemorate a visit by Her Majesty Queen Elizabeth II. The windows highlight the role of the Monarchy in Alberta over the past 100 years.
- The Provincial Museum of Alberta was renamed the Royal Alberta Museum. Planning and design has started on a major renovation and expansion project on behalf of Community Development to double the size of the museum and move parking underground.
- Major renovations to the Northern Jubilee Auditorium in Edmonton and Southern Jubilee Auditorium in Calgary were completed. The Northern Alberta Jubilee Auditorium received a nomination by Canadian Music Week 2006 for Performing Arts Centre of the Year.
- Lougheed House restorations were completed.
- Commenced the interior renovations for the Sam Livingston Fish Hatchery exhibits.
- The main facility at the Lesser Slave Lake Bird Observatory was completed and scheduled to open the summer of 2006.
- Construction of the Cypress Hills Provincial Park Interpretive Centre continued and is planned for completion in 2006.
- Construction began on a new visitor centre at Writing-on-Stone Provincial Park with completion slated for 2006.
- At Dinosaur Provincial Park, the Royal Tyrrell Museum Field Station Phase 1 expansion was completed in 2005 and Phase 2 construction commenced, with completion planned for 2006.

Performance Measures

Infrastructure and Transportation utilized five measures to indicate how well it achieved Goal 4 in 2005-06. [1]

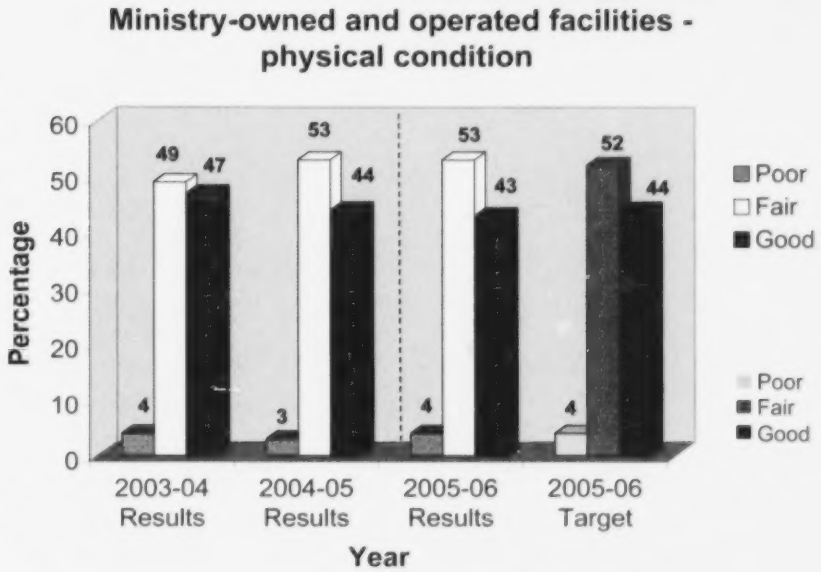
Under the Government of Alberta's Capital Planning Initiative, definitions for the Ministry physical condition performance measures are as follows:

Good – Adequate for intended use and expected to provide continued service life with average maintenance.

Fair – Aging components are nearing the end of their life-cycle and require additional expenditures for renewal or refurbishing.

Poor – Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

[1] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.



Ministry-Owned and Operated Facilities – Physical Condition
Measure 4.a

This is a measure of ministry owned and operated facilities (over 1,000 gross square metres) that were rated in good, fair or poor physical condition.

In 2005-06, 43 per cent of these facilities were rated in good condition. This result was just below the target of 44 per cent. The percentage in fair condition exceeded the 2005-06 target slightly. The percentage of facilities in poor condition matched the target of four per cent.

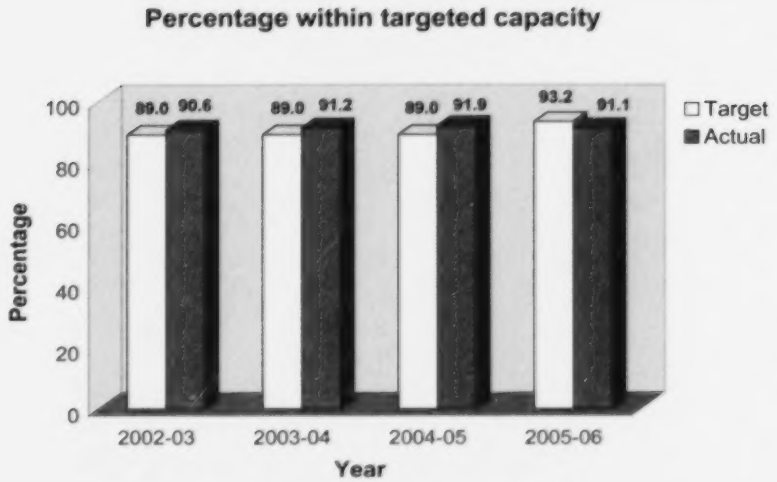
The variances between the 2005-06 results and targets are not considered significant, and are within the measure's margin for accuracy. The 2005-06 results were also not significantly different than those realized in 2004-05.

The physical condition measure rates the condition of buildings and is therefore an indication of how well building infrastructure is being maintained. The percentages are calculated by taking the square metres of all facilities in good, fair, or poor condition and dividing each by the total square metres of all buildings.

The condition rating of each building was based on an assessment of a building's five major systems (structural, envelope, interior, mechanical and electrical). The evaluator selected a condition rating (from one to six) for each system by matching the overall condition with a set of definitions. A weighted average of the five system ratings produced the overall building rating. Ratings one, two and three were rated as poor, four was rated as fair and five and six were rated as good.

With over 80 per cent of the buildings more than 20 years old, it will continue to be a challenge to balance the need to maintain existing aging infrastructure while addressing the requirements for new infrastructure.

Ministry-Owned and Operated Facilities – Utilization
Measure 4.b

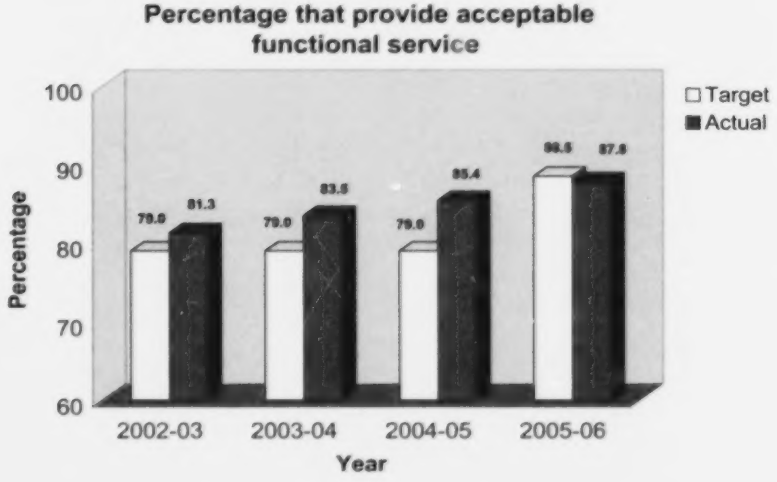


The utilization measure is the percentage of Ministry owned and operated facilities larger than 1,000 gross square metres rated within targeted capacity. The ratio of space allocated for required programs compared to the total usable space determines the utilization rate. A utilization rate between 85 and 100 per cent is defined as being within targeted capacity.

The measure identifies facilities requiring redevelopment, additional planning or disposition, and assists in the monitoring of space requirement fluctuations.

As Alberta's economic growth continues, the pressure and demand placed on existing facilities increases. If the demand persists and increases are required for programs and staff in government facilities, the utilization rate will move closer to full capacity.

Ministry-Owned and Operated Facilities – Functional Adequacy
Measure 4.c

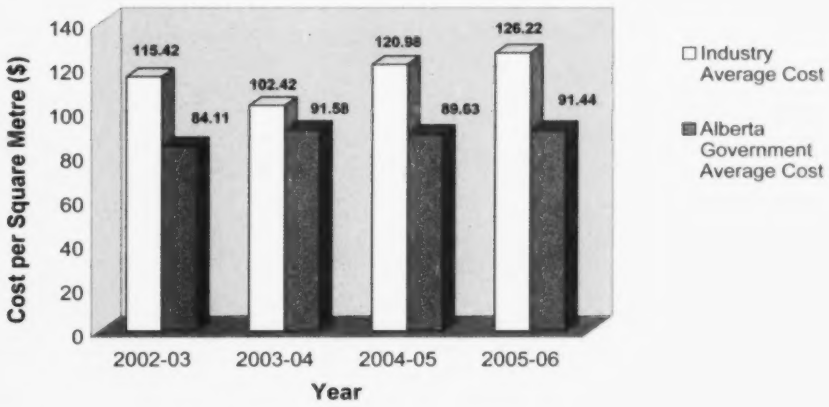


The purpose of this measure is to determine and report on how well government facilities are meeting the program delivery needs of the users. Only Ministry owned and operated facilities larger than 1,000 gross square metres are included in determining the overall percentage of facilities that are providing acceptable functional service.

Functional adequacy assists the provincial government in planning and providing appropriate space for program delivery in government facilities in response to the changing needs of Albertans.

Alberta's growing economy has increased the need for enhanced program delivery, which has impacted the functionality of existing space. Continued growth will result in the use of less appropriate space (i.e. space that has not been designed for its current use). Decisions related to acquiring additional space through leasing or construction are affected by significant increases in lease costs, especially in larger centres, and higher construction costs throughout the province.

Percentage of operating cost compared to industry average



Average Operating Cost per Square Metre of Ministry Owned and Operated Office Space
Measure 4.d

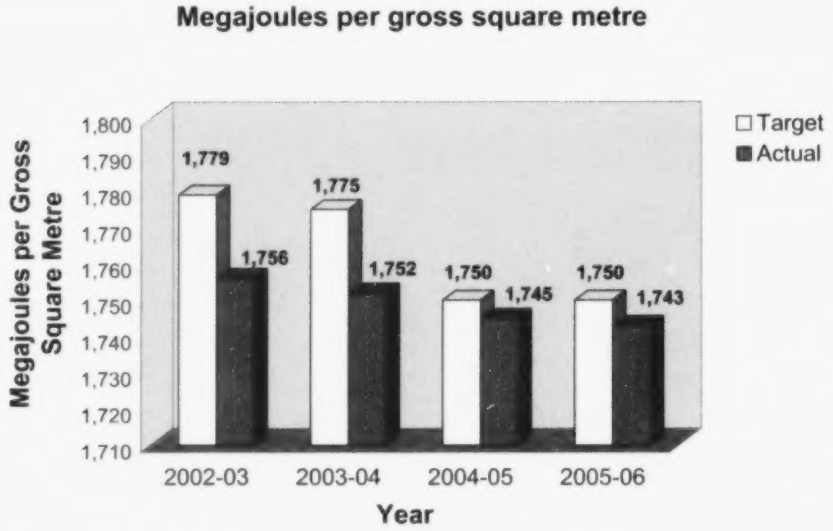
This measure compares the average annual operating cost of rentable square metres of office space in government-owned facilities operated by Infrastructure and Transportation to the Alberta industry average. The Ministry's target is to keep the average operating cost per rentable square metre of office space below that of the industry average.

The Ministry is responsible for effective management of all owned facilities to support the delivery of provincial government programs. This includes incorporating industry best practices to control the costs and maintain the value of provincial building infrastructure. Cost comparisons against industry averages, in total and for specific maintenance functions, allow the Ministry to identify and respond to areas of concern and identify opportunities for cost-effective improvements.

The average cost of operation of Ministry owned and operated buildings in 2005-06 was $91.44 per square metre (based on a sample of 73 government-owned office buildings). This compares to an average cost of $126.22 for all Alberta participants included in the Canadian Benchmarks 2005 survey.

Inflationary pressures in the industry directly affect this measure, such as utility and maintenance cost increases and other costs required to maintain aging infrastructure.

Energy Consumption per Square Metre in Ministry Owned and Operated Facilities
Measure 4.e



Infrastructure and Transportation monitors the annual energy efficiency (natural gas and electricity) of buildings owned and operated by the Ministry.

The Ministry is responsible for effectively managing all owned facilities to support the delivery of government programs. This includes monitoring energy usage on an ongoing basis and identifying and implementing energy saving initiatives to achieve the cost and environmental benefits associated with reduced energy consumption.

In 2005-06, the result of 1,743 megajoules per square metre was below the target of 1,750 megajoules per square metre.

This measure is affected by several factors that may vary annually, including changes to the inventory of owned buildings, changes to building usage and occupancy levels, and climate variations. As potential energy saving measures are identified and implemented, there will be fewer opportunities to improve energy performance through conservation measures alone.

Core Business Three
Partner with municipalities and boards to plan, develop and implement infrastructure that meets local needs

The specific Ministry programs linked to this core business include School Facilities Infrastructure, Post-Secondary Facilities Infrastructure, Health Facilities Infrastructure, Seniors' Lodges, Centennial Legacy Grants, Municipal Support Programs, and a portion of Program Support and Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	1,747,169	259
Total Authorized	1,818,416	259
Actual Spending in 2005-06	1,816,109	399
Actual Spending in 2004-05	1,497,108	213

Cities and other municipalities are tasked with maintaining their existing infrastructure while addressing road, transit, utility services and airport growth. In keeping with the 1999 Premier's Task Force on Infrastructure recommendations, an agreement with all municipalities was reached to provide appropriate grant formulas. In addition, in 2005-06, two new major municipal infrastructure programs were introduced: the five-year $3 billion Alberta Municipal Infrastructure Program and the multi-year federal New Deal for Cities and Communities.

The $69.1 million over-expenditure relative to planned spending is primarily due to:

- $55 million over-expenditure in Municipal Infrastructure Grants due to accelerated grant payments.
- $34.2 million over-expenditure in Municipal Partnerships resulting from additional funding approved for the Water for Life projects.
- $10 million under-expenditure in the Canada-Alberta Municipal Infrastructure Fund as a result of delays in receiving the final agreement from the federal government.
- $5.7 million under-expenditure in Program Support and Ministry Support Services.

The overall net increase of $319.2 million in spending in 2005-06 compared to 2004-05 is primarily due to:

- $655 million increase as a result of the commencement of the Alberta Municipal Infrastructure Program in 2005-06.

- $36.2 million increase in Municipal Partnerships resulting from additional funding approved for the Water for Life projects.
- $264 million decrease due to one-time funding approved in 2004-05 to fund specific capital projects such as the Alberta Children's Hospital in Calgary, and the Royal Alexandra Hospital and Mazankowski Heart Institute in Edmonton.
- $110 million decrease due to the completion of the University of Alberta Natural Resource Engineering Facility and grants provided in 2004-05 for the University of Alberta Health Research Innovation Facility to fund the heaviest construction phase of the project.

GOAL 5
Support municipal infrastructure needs

The Alberta Municipal Water/Wastewater Partnership is an ongoing program providing cost-shared funding to eligible municipalities to assist in the construction of municipal water supply and treatment, and wastewater treatment and disposal facilities.

Strategic Approach

- Assist municipalities with water supply, water treatment, and wastewater treatment and disposal facilities through the provision of funding under Alberta Municipal Water/Wastewater Partnership program consistent with the cross-ministry Water for Life Strategy.
- Continue to provide grant funding to assist Alberta municipalities with developing and upgrading infrastructure through the Basic Capital Grant, Cities Special Transportation Grant, the Streets Improvement Program, the Rural Transportation Partnership and the Infrastructure Canada-Alberta Program.
- Provide the cities of Edmonton and Calgary with annual transportation funding based on five cents per litre of fuel delivered within their boundaries.
- Administer the Resource Road Program to assist rural municipalities, towns and villages that experience resource and new industry-based traffic.
- Finalize program criteria and administer the Infrastructure Canada-Alberta Program, Municipal Rural Infrastructure Fund and New Deal for Cities and Communities programs.
- Develop guidelines and deliver a new $3 billion Municipal Infrastructure Program to upgrade municipal water, wastewater, transportation and other infrastructure.

Cities other than Calgary and Edmonton receive Basic Capital Grants based on $60 per capita for eligible capital transportation projects, including road construction rehabilitation within cities and major public transit system requirements.

Results

- Introduced new Alberta Municipal Water/Wastewater Partnership program initiatives and funding for regional water lines, under the Water for Life Strategy. A total of $68 million in funding was distributed to eligible cities, towns, villages, summer villages, regional commissions and hamlets.

- Provided approximately $35 million in the 2005-06 fiscal year under the Basic Capital Grant program. This included barrier-free eligible transportation initiatives to improve accessibility for seniors and persons with disabilities.
- Provided an annual budget of $10 million in Cities Special Transporation Grants financial assistance targeted at high priority transportation growth projects beyond a city's normal funding ability.
- Provided ongoing municipal support through cost-shared grants to towns, villages, summer villages and eligible hamlets under the Streets Improvements Program. Approximately $28 million was provided for work such as grading, paving, lighting, sidewalks, drainage, bridges, barrier-free initiatives and traffic and safety control devices.
- Provided approximately $58.5 million for eligible local road, bridge and other projects in response to growth or safety needs under the Rural Transportation Partnership.
- Contributed $22 million in funding though the Infrastructure Canada-Alberta Program. Funding was directed toward municipal water and wastewater systems, municipal roads, bridges and transit, affordable housing, solid waste disposal and recycling, tourism, cultural or recreational facilities and projects to improve energy efficiency of buildings owned by local governments. Priority was given to "green" infrastructure investments related to water and energy systems for numerous projects across Alberta.
- Provided Alberta's two largest cities, Calgary and Edmonton, with $95 million and $80 million respectively under the City Transportation Fund. The funds, based on five cents per litre of road fuel delivered within each city's limits, are for transportation related capital projects such as road and bridge construction, light rail transit track and station construction, and purchase of transit cars and buses.
- Extended the provincial Resource Road Program to 2007-08. First introduced in 2003, this program provides assistance to local municipal road authorities for local roads and bridges to aid in the movement of goods and people associated with new or expanded facilities, industries, farming or grain elevator operations. In 2005-06, approximately $16 million was provided for approved projects under this program.
- Commenced the New Deal for Cities and Communities program to assist municipalities in meeting sustainable municipal capital infrastructure needs. Funding is provided from federal gas tax revenues transferred to the province and allocated to eligible municipalities. The program contributed to numerous projects across the province with approximately $57.3 million provided to municipalities in 2005-06.
- Signed the multi-year federal-provincial agreement for the new Canada-Alberta Municipal Rural Infrastructure Fund. The program provides for cost-sharing contributions from three levels of government for eligible municipal infrastructure projects.

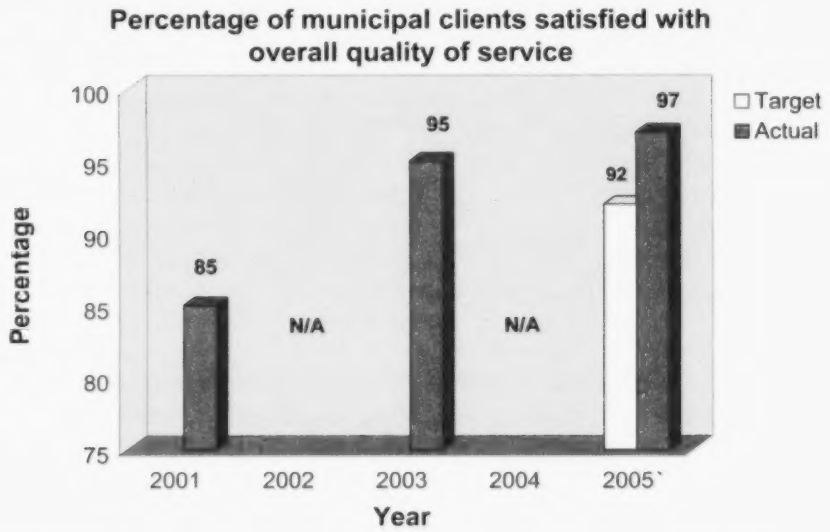
The Infrastructure Canada-Alberta Program was a partnership program between the federal, provincial and municipal governments in municipal infrastructure that commenced October 10, 2000 and has been extended to March 31, 2009.

- Initiated the Alberta Municipal Infrastructure Program to provide $3 billion over five years in new funding to cities and municipalities for top infrastructure priorities. The funds may be spent over 10 years according to local planning needs for capital projects, including roads, repaving, bridge repairs, transit, sewer upgrades, water treatment facility expansions, recreational facilities, etc. Distribution of funds, based on estimated 2006 population numbers, commenced in the 2005-06 fiscal year with $655 million provided to Alberta municipalities.

Performance Measure

Infrastructure and Transportation utilized one measure to indicate how well it achieved Goal 5 in 2005-06.[5]

Client Satisfaction Survey
Measure 5.a



Infrastructure and Transportation strives to foster an organization where clients consistently experience positive outcomes when interacting with the Ministry. To measure the satisfaction of clients with services provided by the Ministry, Infrastructure and Transportation conducts a municipal client satisfaction survey every two years. The latest survey was conducted for the 2005 calendar year. An external consultant was engaged to undertake this survey, thereby ensuring the confidentiality of individual results.

In 2005, the municipal client satisfaction rate was 97 per cent, which exceeded the target of 92 per cent and the 2003 rate of 95 per cent.

This measure provides an overall indication of the Ministry's municipal clients' satisfaction with the services provided by Ministry staff.

[5] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

Results and information derived from the survey are considered in the Ministry's planning cycle to address and improve the satisfaction of municipal clients in the future. The Ministry's commitment to providing quality service to clients is illustrated by the overall results.

The client satisfaction survey monitors the satisfaction of municipal clients with the management of municipal grant programs including the administration of grant applications and payments and clarification of policy and eligibility criteria. Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. Infrastructure and Transportation will continue to make every effort to ensure clients are apprised of program, policy and legislative changes in a proactive manner.

The level of client satisfaction for all service areas has increased over or remained constant with the results from the 2003 survey. The overall increase in client satisfaction in 2005 can most likely be attributed to the delivery of the Alberta Municipal Infrastructure Program, which distributed $655 million to upgrade municipal water, wastewater, transportation and other infrastructure in 2005-06.

GOAL 6
Provide leadership and funding for the development and preservation of health facilities, schools, post-secondary institutions and seniors' lodges

Strategic Approach

- In partnership with boards and other ministries, implement the approved projects identified in the 2005-08 Capital Plan.
- Work with school boards, health regions, post-secondary institutions, government ministries and other stakeholders to consider life-cycle costing in updates of long-term capital plans.
- Complete development of the new Health Research Innovation Centres at the Universities of Calgary and Alberta to enhance research and development capacity in Alberta.
- Offer a range of project management services to Seniors' Lodge Foundations to complete projects under the Lodge Upgrading Program.
- Assist Seniors' Lodge Foundations with ongoing planning for future capital maintenance requirements for preservation of seniors' lodges.
- Explore opportunities with Education and school boards to revitalize school facilities in all Alberta communities and pursue alternative funding methods to facilitate an equitable framework for funding programs.
- Consult with stakeholders to develop and implement a new accountability framework for capital and plant operations and maintenance funding for schools and capital funding for health facilities and post-secondary institutions.

School projects completed in 2005-06 include:

- Spirit River Regional Academy
- Our Lady of Fatima Elementary School in Calgary
- Calmar Elementary School
- Falun School
- Chamberlain School in Grassy Lake
- Ecole Mountain View School in Hinton
- Notre Dame Academy in Medicine Hat
- Ecole Pine Grove Middle School and Parkland High School in Edson
- Two Hills School
- West Central High School and St. Dominic High School in Rocky Mountain House
- Greystone Centennial Middle School in Spruce Grove
- Prairieview Elementary School in Vulcan

- Define, in conjunction with school boards, the impact of recommendations flowing from Alberta's Commission on Learning regarding class sizes and the ongoing implementation of Alberta SuperNet across the province.
- Finalize space classification system with post-secondary institutions and Advanced Education for use in the planning process.
- Update and maintain the guidelines for cost and space for supported facilities to reflect the impact of construction cost escalation.

Several health facility projects were completed in 2005-06:

- Southern Alberta Forensic Psychiatric Centre in Calgary
- Wing Kei Care Centre in Calgary
- Louise Jensen Care Centre in Camrose
- Dianne and Irving Kipnes Centre for Veterans in Edmonton
- Ambulatory Care Centre at Grey Nuns Community Hospital in Edmonton
- Ambulatory Care Centre at Leduc Community Hospital
- Rocky Mountain House Health Centre

Infrastructure and Transportation partnered with other ministries to optimize the use of taxpayer investment in health and school facilities, post-secondary institutions and seniors' lodges through funding and capital planning. The long-term capital planning process helps to balance maintenance funding needs with funding for new capital projects.

Responsibilities for the School Plant Operations and Maintenance Program were moved to Education as of April 1, 2005 and are covered in Education's 2005-06 Annual Report.

Results

- Advanced the 2005-08 Capital Plan in support of government's 20-year strategic plan in four areas of opportunity, through Unleashing Innovation, Leading in Learning, Competing in a Global Marketplace and Making Alberta the Best Place to Live, Work and Visit. The Capital Plan reflects the rapid economic and population growth pressures in the province. Implementing new projects required managing a number of challenges, including cost pressures within local construction markets due to scarce labour and higher world prices for commodities like steel.
- Worked with other ministries, school boards, health regions, post-secondary institutions and stakeholders in considering the life-cycle costs when forming long-term capital plans.
- Continued the construction of the state-of-the-art Health Research Innovation Centres in Calgary and Edmonton, with a total approved provincial support of $267 million. These research facilities will attract world-class medical experts enhancing innovation in medical research for the benefit of future generations.
- Provided a variety of project management services totalling $3.9 million for preservation of seniors' lodges. Emphasis was on completing any outstanding items under the Lodge Upgrading Program. A multi-year tool for planning future maintenance activities was made available to all lodge management foundations.
- Contributed technical expertise to develop supportive living units for seniors, low-income Albertans and persons with special needs in rural areas for several projects announced by Seniors and Community Supports.

- Agreed to share common responsibilities with Education for implementing school capital projects and work with school boards in the development and preservation of facilities.
- Built and installed 176 modular classrooms at various locations across Alberta to address space needs as a result of changes in enrolment. A further 101 existing portable classrooms were relocated to areas of highest need. This marks the first time government has centralized the design, construction and delivery of modular classrooms. A centralized long-term approach provides cost savings, consistent design and allows for easy movement and interchangeability among schools built with a core school design.
- Allocated funding for a new core school, with modular classroom, to replace the existing Lawrence Grassi Middle School in Canmore.
- Spent close to $400 million to maintain, renovate and expand provincial health facilities. Funding was allocated for renovation of the Community Health Centre in Airdrie and development of the Health Sciences Ambulatory Learning Centre in Edmonton. The Health Sciences Ambulatory Learning Centre, to be known as "The Edmonton Clinic," will be a world-class clinic and learning facility providing research and educational opportunities for health science students and professionals under one roof.
- Spent over $100 million on post-secondary institutions in 2005-06 including:
  - The Banff Centre, Donald Cameron Hall
  - Northern Alberta Institute of Technology Centre for Apprenticeship Technologies
  - Grant MacEwan College, Robbins Health Learning Centre
  - University of Calgary, the O'Brien Centre for Bachelor of Health Sciences.
- Conducted a preliminary study to determine the capacity and the current utilization of post-secondary facilities. Based on the classifications outlined in the study, a Space Classification System was designed and incorporated into the planning process.
- Gathered information on emerging labour, economic and industrial trends affecting cost escalation in collaboration with Human Resources and Employment and Economic Development. Key market factors were identified and reflected in updates to Cost and Space Guidelines for supported facilities.

Other health facility projects included:

- Re-development of the Lethbridge Regional Hospital
- A new Alberta Children's Hospital in Calgary
- Sheldon Chumir Health Centre on the former Colonel Belcher Hospital site in Calgary
- Edson Healthcare Centre
- Queen Elizabeth II Hospital in Grande Prairie
- Relocation of community health services in Fort McMurray
- Renovations at the Cross Cancer Institute in Edmonton

There were more than 540,000 students enrolled in Alberta's K-12 schools and over 138,000 students attending provincial post-secondary institutions in 2005-06.

Performance Measures

Infrastructure and Transportation utilized four performance measures to indicate how well it achieved Goal 6 in 2005-06.[6]

[6] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

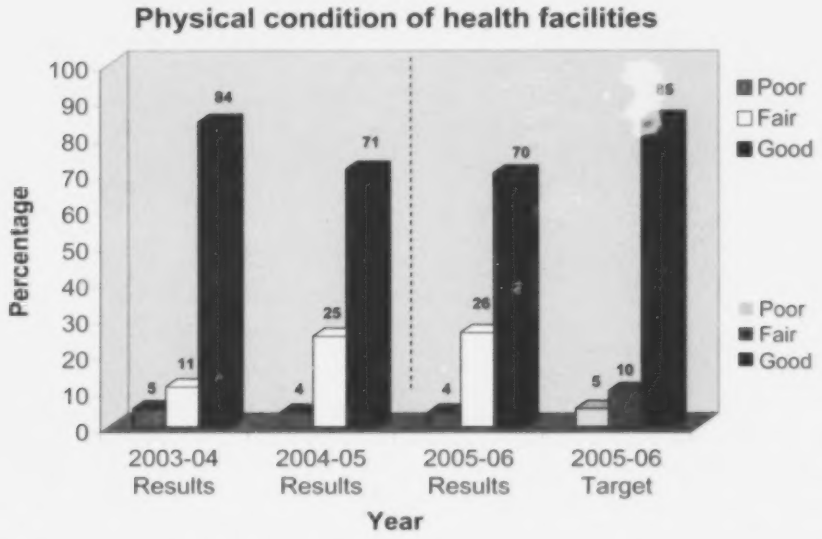
Under the Government of Alberta's Capital Planning Initiative, definitions for the Ministry physical condition performance measures are as follows:

Good – Adequate for intended use and expected to provide continued service life with average maintenance.

Fair – Aging components are nearing the end of their life-cycle and require additional expenditures for renewal or refurbishing.

Poor – Upgrading is required to comply with minimum codes or standards and deterioration has reached the point where major repairs or replacement are necessary.

Health Facilities Physical Condition
Measure 6.a



Alberta has nine Regional Health Authorities and a Cancer Board utilizing 30.1 million sq. ft. of facility space at 251 sites.

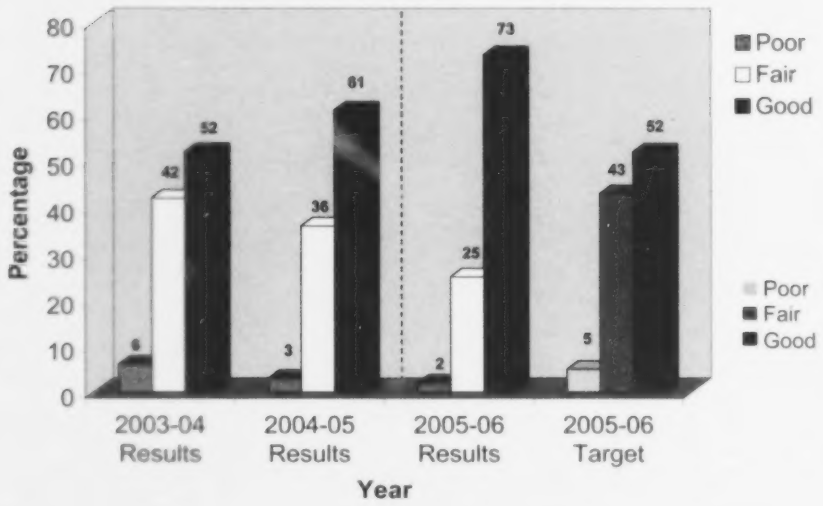
The health facilities physical condition measure is the percentage of health facilities rated in good, fair or poor condition, using a Facility Condition Index (FCI) rating.

The long-term goal of government is to preserve health facilities and other infrastructure. The condition measure provides data in support of long-term capital planning of health facilities across the province.

Results for 2005-06 indicate that 70 per cent of health facilities were in good condition, 26 per cent were in fair condition and 4 per cent were in poor condition. These rates are comparable with the 2004-05 results.

A growing percentage of the province's aging health infrastructure will require major repairs and renewal of major building components. Major capital preservation projects, if approved, will address the problem, as will increasing levels of infrastructure maintenance funding.

Physical condition of school facilities



Schools
Physical Condition
Measure 6.b

There are 64 school and 13 charter boards in Alberta. These boards manage facilities of approximately 74.1 million sq. ft.

This measure captures the percentage of school facilities that are rated as being in good, fair or poor physical condition as defined by a Facility Condition Index (FCI) rating.

A strategic goal for the Ministry is to develop and implement policies and programs that provide safe, effective learning environments for Alberta's children. In monitoring and evaluating the condition of schools, the Ministry is able to identify the success of these programs. This condition measure assists school boards and the government in their long-term capital planning.

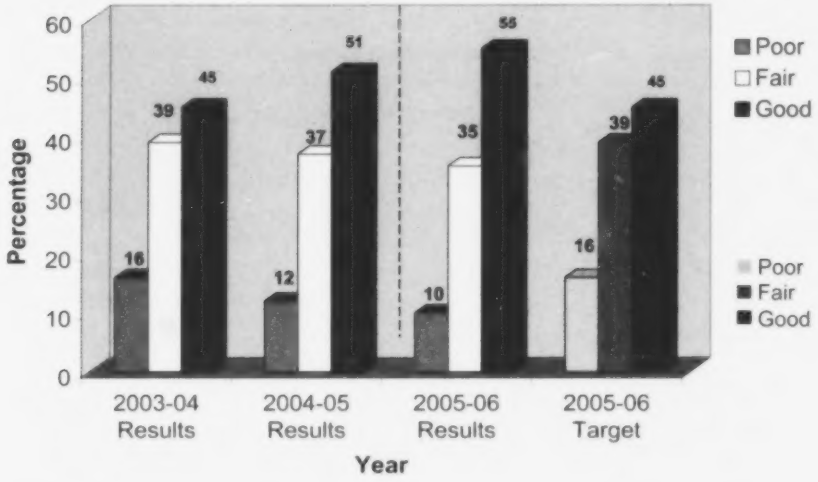
In 2005-06, 73 per cent of school facilities were rated in good condition. This was well above the target of 52 per cent and 12 per cent higher than 2004-05. The percentage of school facilities rated in fair condition was 25 per cent, 18 per cent lower than the 2005-06 target. The percentage of facilities rated in poor condition was 2 per cent, lower than the 2005-06 target of 5 per cent.

School boards and the Ministry continue to focus refurbishing and modernizing investments into facilities that were identified as being in poor condition. The 2005-06 results demonstrate that progress continues to be made.

A trend that can impact the condition of school facilities is the amount of modernization and preservation funding that is provided to school boards. With limited resources, prioritization of upgrades must occur among viable schools. The increasing age of schools may impact the results in the future as inflationary pressures of a growing economy drive the costs to maintain and replace major building components and systems.

Post-Secondary Institutions Physical Condition
Measure 6.c

Physical condition of post-secondary institutions



The post-secondary education system in the province is comprised of four universities, 14 colleges, two technical institutes and the Banff Centre.

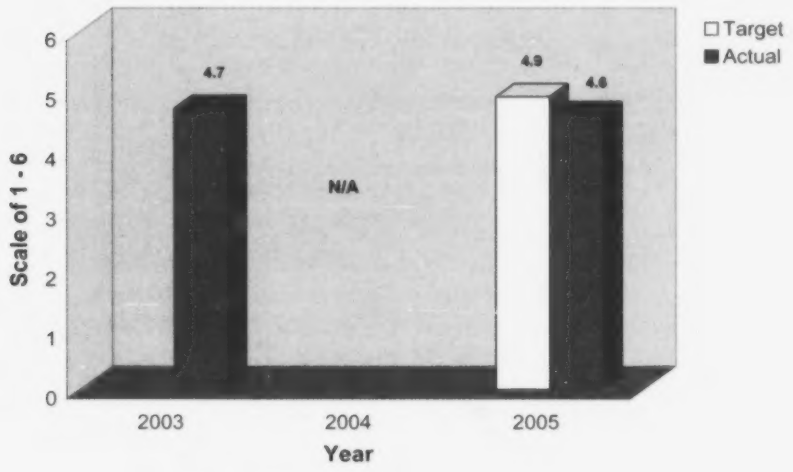
The measure is a percentage of the total facilities at post-secondary institutions rated in good, fair or poor condition using a Facility Condition Index (FCI) rating that compares the total cost of deficiencies to the replacement value of the facility.

The performance indicator provides an annual look at how effectively post-secondary infrastructure is maintained.

A significant portion of the improvement in FCI can be attributed to a change in institutions re-classifying recommended remedial events from maintenance items to functional upgrades. Functional upgrades are not included in the calculation of the Facility Condition Index.

Client Satisfaction Survey
Measure 6.d

Level of satisfaction indicated by Boards



This measure assesses the level of overall satisfaction with the quality of service provided by Infrastructure and Transportation related to health facilities, post-secondary institutions and schools as perceived by their respective boards. These services include long-term capital planning, advice on capital programs, provision of technical expertise for project development and implementation, and development and maintenance of technical and building standards.

The average board client satisfaction rating for 2005 was 4.6, which equates to "somewhat satisfied" on the rating scale. This is fairly consistent with the 2003 rating of 4.7, and slightly lower than the target for 2005 of 4.9.

Results for this measure are generated every two years through a client satisfaction survey administered by an external consultant on behalf of the Ministry. Survey results and information are considered in the Ministry's planning cycle to address and improve the satisfaction of clients in the future.

Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. Infrastructure and Transportation will continue to make every effort to ensure clients are apprised of program, policy and legislative changes in a proactive manner.

Core Business Four
Represent Alberta's interests in transportation policy

The specific Ministry programs linked to this core business include a portion of Ministry Support Services.

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	3,451	-
Total Authorized	3,455	-
Actual Spending in 2005-06	3,151	-
Actual Spending in 2004-05	2,681	-

Core Business Four deals with providing long-term planning of the highway network, and developing provincial policies pertaining to highways, municipal transportation, motor carriers, and rail and air modes of transportation from the perspective of passengers, shippers and carriers. Influencing national and international policy on national highways, rail, air, intercity bus, ports/marine operations, border crossing services, and coordinating various barrier-free transportation and climate change initiatives are also part of this core business.

There are no significant variances from planned spending for this core business.

In 2005-06, Alberta's two international and 12 regional airports handled over 15.4 million passengers.

The province has 71 paved community airports.

GOAL 7
Work with stakeholders and other jurisdictions to develop and promote policies in support of efficient transportation

Strategic Approach

- Work with stakeholders and municipalities to ensure appropriate transportation infrastructure investment to maintain efficient and integrated networks and supply chains.
- Develop access routes and inter-modal trade corridors to better connect Alberta shippers to the United States and other world markets and continue negotiations with the Tsuu T'ina Nation to extend the Southwest Calgary ring road.
- Contribute to the water strategy and climate change initiatives.
- Lead the Alberta Advisory Committee on Barrier-Free Transportation in developing strategies to improve access to transportation facilities and systems for seniors and persons with disabilities.
- Work with the federal government to deliver the Strategic Highway Infrastructure Program and Canada Strategic Infrastructure Fund to support the development of trade highways in Alberta.
- Develop a Strategic Transportation Vision providing a long-term (up to 30-year) view of transportation in Alberta and Western Canada, taking into account projected urban and rural growth patterns, safety, resource development and intelligent transportation systems research and planning.
- Develop transportation infrastructure in support of northern economic development.
- Collaborate with the aviation industry and federal government to provide input to the National Aviation Strategy.
- Work with stakeholders and other jurisdictions in negotiating and developing effective and harmonized motor carrier regulations across Canada.
- Pursue a regional weight threshold for commercial vehicles and further efforts to harmonize vehicle weight and dimensions with western provinces, territories and Alaska.

As part of the transportation network in North America, Alberta has impact on and is impacted by the policies of its neighbours and partners. Infrastructure and Transportation actively participates with municipalities, the federal government, other western provinces and the United States in discussions on key issues affecting the multi-modal transportation industry, and in particular, to promote access across borders and provide extensive regulatory harmonization.

There are over 7,200 kilometres of rail line, including approximately 900 kilometres of shortline railway under Alberta's jurisdiction.

Approximately 40 million tonnes of freight are exported from, and 11 million tonnes of freight are imported to Alberta annually.

Results

- Provided input into a multi-modal transportation strategy discussed at the Western Premier's Conference and Council of the Federation, contributing to development of a national transportation strategy.
- Held open houses in Calgary regarding development of the southwest portion of the ring road in Calgary. Progress continued toward reaching an agreement for a portion of the ring road that would be built on Tsuu T'ina land.
- Held open houses in Edmonton to gather input on the proposed northern portions of the Edmonton ring road. The input gathered was part of the functional planning study underway to examine potential routes, connection points, land requirements and environmental and social factors.
- Participated in development of a document outlining a Western Canada Transportation Infrastructure Strategy regarding transportation issues and presented this to the Council of Western Transportation Ministers. The strategy was adopted at the Western Premier's Conference.
- Signed a memorandum of understanding with the Alberta Motor Transport Association to seek opportunities to improve fuel efficiency and reduce greenhouse gas emissions. Efforts will be undertaken through driver training, education and awareness programs and alternative fuel usage.
- Initiated a long-term strategy to reduce flood damage, and as part of the strategy, established an interdepartmental Flood Risk Management Committee. Infrastructure and Transportation participated on the committee to recommend potential measures to limit damage in flood-prone areas.
- Signed an agreement with the Jewish National Fund of Canada to contribute $1 million each to fund research initiatives focusing on innovative design, construction and rehabilitation of water management or irrigation infrastructure. Ministry representatives visited Israel to foster the exchange of knowledge and best practices regarding irrigation research on semi-arid regions.
- Continued to work with the Alberta Advisory Committee on Barrier-Free Transportation on initiatives brought forward by stakeholders to promote barrier-free transportation systems and pedestrian environments within the province that meet needs for local and intra-provincial travel.
- Funded or continued construction progress on several projects through the Strategic Highway Infrastructure Program.

The External Advisory Committee on Strategic Transportation Policy provides feedback on government's long-range infrastructure plan covering all modes of transportation, identifies areas where funding should be targeted and advises on legislative, policy and regulatory issues related to transportation.

- Signed contribution agreements with the federal government for construction of ring roads in Calgary and Edmonton. Provided funds from the Canada Strategic Infrastructure Fund through joint federal partnerships with other levels of government.
- Established an External Advisory Committee on Strategic Transportation Policy to review and provide advice on a broad range of provincial transportation issues. Committee representatives are from transportation related organizations and stakeholders, including municipalities.
- Contributed approximately 100 acres of Crown land near the junction of Highway 43 and Highway 2 north of Grande Prairie for development of an inter-modal container facility. The future terminal will facilitate access to the container port at Prince Rupert, British Columbia, reduce transportation costs and improve delivery times compared to current routes.
- Continued to work with other jurisdictions to advance development of consistent motor carrier regulations across Canada and the United States. Success was achieved with respect to cargo securement regulation and negotiations to develop a new Federal Hours of Service Regulation for commercial drivers.
- Actively encouraged agreement on regional weight thresholds and dimensions to provide consistency for commercial vehicles travelling in the western provinces, territories and Alaska.

Performance Measures

Infrastructure and Transportation utilized two performance measures to indicate how well it achieved Goal 7 in 2005-06.[7]

Infrastructure and Transportation, as well as other provincial government ministries, provides funding to municipalities for accessible transportation. Municipalities throughout Alberta may use funding provided by Infrastructure and Transportation through the Streets Improvement Program, the Rural Transportation Grant, the City Transportation Fund, the Basic Capital Grant and the Alberta Municipal Infrastructure Program for accessible transportation.

As the population of Alberta grows, there are a rising number of persons dependent upon accessible transportation in both urban and rural Alberta. Infrastructure and Transportation is currently developing a methodology and baseline data to evaluate the access to transportation facilities and systems for persons with disabilities in Alberta.

Barrier-Free
Measure 7.a

Progress continues to be made on the development of this performance measure.

[7] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.

A stakeholder satisfaction survey is being developed to assess the level of satisfaction with how well stakeholder interests are being represented in federal negotiations.

Progress continues to be made on the development of this performance measure.

Stakeholder Satisfaction Survey
Measure 7.b

The specific Ministry programs linked to this core business include Air and Vehicle Services, Land Services, the Energy Rebates program and a portion of Program Support and Ministry Support Services.

Core Business Five
Provide strategic services to government ministries, boards and agencies

Financial Resources (in thousands)	Operating Expense	Capital Investment
Planned Spending (Estimates)	299,944	16,946
Total Authorized	740,961	16,946
Actual Spending in 2005-06	649,026	12,933
Actual Spending in 2004-05	289,593	21,572

Infrastructure and Transportation is involved in a broad range of initiatives such as provincial transportation safety programs, the provision of policy direction, planning and capital funding for supported infrastructure, and building and managing government-owned infrastructure. This includes the provincial highway network and facilities that support government operations. To support these initiatives, the Ministry continually strives to improve policies and processes and find innovative ways to streamline administration of programs.

The $345.1 million over-expenditure relative to planned spending is primarily due to the $348.6 million over-expenditure for energy rebates as a result of higher than anticipated gas prices in 2005-06 that triggered rebates between $1.50/gigajoule and $7.29/gigajoule.

GOAL 8
Provide cross-ministry leadership and support to priority programs and initiatives

Strategic Approach

- Lead the Cross-Ministry Capital Planning Initiative and prioritization of all capital needs that become part of future government Capital Plans.
- Collaborate with stakeholders to explore opportunities for multi-use facilities and continue to pursue alternative financing opportunities, such as public-private partnerships, where cost-effective and feasible.
- Acquire or lease property as appropriate to client needs.
- Sell or divest surplus and underutilized properties and take a lead role in providing services for disposal of properties for government ministries.
- Plan, develop and administer the Edmonton and Calgary Transportation and Utility Corridors.
- Continue to develop and implement the Building and Land Infrastructure Management System to enhance planning management of Ministry-owned and supported facilities.
- Maintain an Environmental Management System for the Ministry comprising policies, procedures and practices to identify and manage environmental impacts associated with the Ministry's products, services and activities.
- Enhance environmental protection in the province by participating in an initiative to create a single-regulator system for developments affecting land, water or air.
- Support the Aboriginal Policy Initiative by providing opportunities for Aboriginal people to participate in ministry projects undertaken on their lands; aid in development of traffic safety strategies appropriate to their needs and provide accommodation needs to support delivery of programs.
- Support government priorities for Albertans through delivery of key initiatives such as the Natural Gas Rebate Program.
- Co-champion the Health Innovation and Wellness Initiative with Health and Wellness, Seniors and Community Supports, and Finance to provide leadership in the following programs and initiatives:
  a) Working with Seniors and Community Supports and Health and Wellness, a new Rural Affordable Supportive Living Program will be administered to add affordable living spaces in rural areas during 2005-07;

For the purposes of Government of Alberta capital projects, a Public-Private Partnership (P3) is defined as a form of procurement for the provision of capital assets and associated long-term operations that include the components of private finance and risk sharing.

b) Optimize the use of existing health infrastructure through the Health Sustainability Initiative Fund that will provide funding for health facility conversions, new service delivery models, community health and mental health services integration and realignment of regional services;
c) Lead the Alberta Traffic Safety Plan and undertake initiatives to increase the use of seat belts and reduce impaired driving, thereby reducing fatalities and injuries and the associated heath care costs.

Results

- Led the identification of capital funding requirements for government owned and supported infrastructure in collaboration with all ministries. This information assists government to develop its three, five and 10-year Capital Plan strategies.
- Received a national Award of Merit for Project Financing from the Canadian Council for Public-Private Partnerships. The award recognizes the innovative agreement for construction of Anthony Henday Drive Southeast in Edmonton and was a result of extensive research, then adapting practices to create a made-in-Alberta approach. This will allow the major road project to be built sooner and more cost-effectively than if undertaken in a traditional government-financed manner.
- Continued to administer the Natural Gas Rebate Program to provide assistance to most Albertans who heated their homes with propane, kerosene, heating oil, and in certain special circumstances, other fuels from high home heating costs. The Ministry administered rebates of approximately $633.6 million to all eligible homes and businesses, regardless of whether they paid the regulated rate or were part of a competitive contract. The program also included some agricultural consumers who were eligible to apply for equivalent rebates. On February 1, 2006, the province announced an extension of the program until March 2009.
- Continued to provide real estate services to other Alberta government ministries. In 2005-06, the Ministry provided services involving $33.1 million in land acquisitions and $103.8 million in property leases. Sale or disposal of surplus properties totalled $11.9 million.
- Managed inventory data collected for government facilities, schools, post-secondary institutions and health facilities through the Building and Land Information Management System (BLIMS). The Query and Reporting module was put into production within the Ministry and a Facility Evaluation module was rolled out to the Universities of Alberta and Calgary, and Alberta Parks and Protected Areas. Ongoing BLIMS expansion and refinements further provide infrastructure information for existing and future requirements and deferred maintenance. Tracking of government commercial leases was also put into production in BLIMS.

Service Alberta provides "one stop" for information, services and products from all government ministries. Infrastructure and Transportation contributes to this resource for Albertans and global audiences with forms and up-to-date information on topics of interest such as the Natural Gas Rebate Program.

An Environmental Management System is an organizational approach to environmental management with the goal of making environmental considerations part of daily activities.

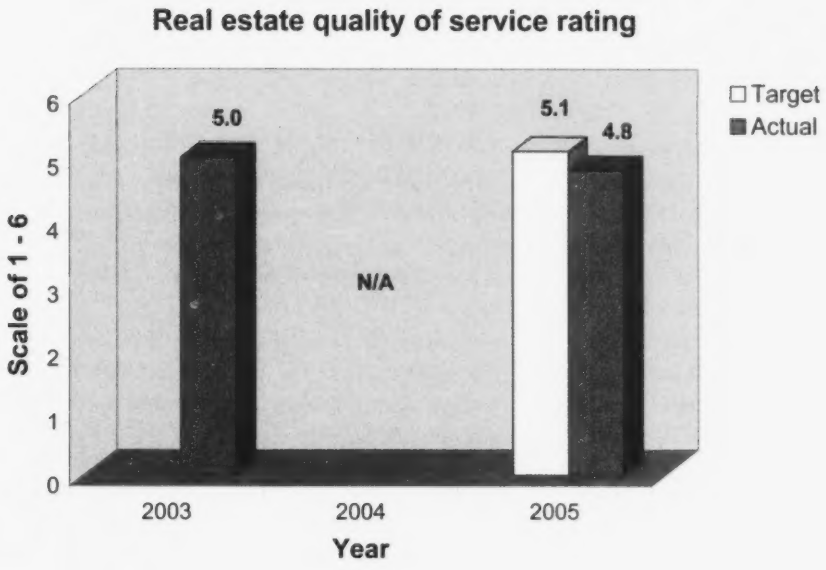
The Premier's Award of Excellence program recognized the contributions of the Ministry with four awards in 2005.

- Instituted practices that protect the environment during all departmental activities and ensured a prompt and appropriate response to environmental incidents through its Environmental Management System.
- Participated in several interdepartmental initiatives to streamline regulatory processes.
- Supported the Aboriginal Policy Initiative through provision of Aboriginal content clauses in all transportation and water management contracts for projects undertaken on Indian Reserves and Metis Settlement lands.
- Addressed Aboriginal traffic safety issues through specific strategies in the Alberta Traffic Safety Plan.
- Provided accommodation services on projects for Aboriginal Affairs and Northern Development and the Metis Settlement General Council.
- Provided $26.5 million for renovation projects in the nine Regional Health Authorities through the Health Sustainability Initiative. Facilities were converted for required uses and upgraded to accommodate service integration and new delivery models.
- Developed Alberta Traffic Safety Plan strategies to increase the use of seat belts and decrease occurrences of impaired driving. Once implemented, these strategies will reduce fatalities and injuries along with their associated health care costs.
- Received Silver Premier's Awards of Excellence for the cross-ministry teams delivering the Natural Gas Rebate Program 2003-04 and the Development Process for Calgary Courts Centre. The Ministry received a Silver award for the Infrastructure Re-Investment Project and Bronze award for the Development of a Framework for the Minister's Award for Transportation Innovation.

Performance Measure

Infrastructure and Transportation utilized one performance measure to indicate how well it achieved Goal 8 in 2005-06.[8]

[8] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.



Client Satisfaction Survey
Measure 8.a

Infrastructure and Transportation is committed to providing superior real estate services to its clients. As part of its role in overseeing the government's facility and land portfolio, the Ministry works with client departments and some boards and agencies to lease required space, acquire properties, divest surplus lands or underutilized properties and provide real estate and land planning services. This measure seeks client feedback on how successfully the Ministry met their real estate needs. Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied.

In 2005, real estate clients rated their satisfaction at 4.8, which corresponds to "somewhat satisfied" on the six-point scale.

The client satisfaction survey monitors the satisfaction of clients with real estate services including land services, land planning, leasing and regional services and expropriation. Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry.

GOAL 9
Efficiently manage the government's air and vehicle fleets

Strategic Approach

- Continue to work with the private-sector vehicle fleet service provider to meet the transportation needs of government departments, boards and agencies and effectively plan for future retirement or replacement of vehicles.
- Manage the government's aircraft fleet to ensure delivery of safe, efficient and cost-effective air transportation.
- Continue to provide aircraft maintenance and enhance safe operations by updating safety systems on existing aircraft to comply with industry standards.
- Develop and implement a strategy to replace aging aircraft and ensure delivery of long-term safe and fiscally responsible air transportation.

The provincial aircraft fleet is operated and maintained on behalf of the Government of Alberta and consists of three Beechcraft King Air and a 36-passenger deHavilland Dash 8 aircraft.

Results

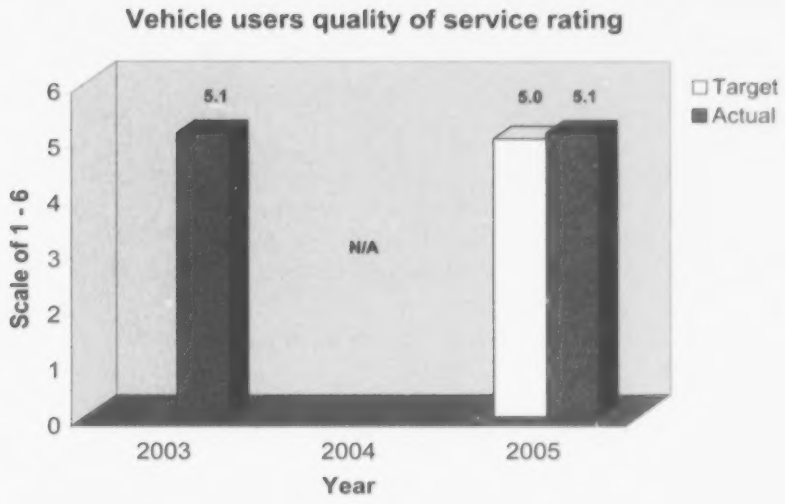
- Continued to offer air transportation services that provide time-savings and cost-effectiveness to government ministries, boards and agencies over the fiscal year.
- Continued the commitment to the highest standards in flight operations and maintenance to ensure the safety of clients and crew. This is achieved and maintained by working as a team to foster safety and provide a wide variety of maintenance and training opportunities for staff.
- Tracked safety and reliability records.
- Undertook extensive internal and external training programs.
- Continued the ongoing evaluations of operating and maintenance policies.
- Used industry accepted methods and special inspections to maintain high safety standards.
- Monitored cost of operations, along with the economics of retrofitting new navigation and safety systems, as an indicator of when aircraft will need to be replaced.
- Continued to provide management of the vehicle fleet on behalf of the Alberta government in 2005-06.
- Leasing vehicles continued, while older, less efficient owned vehicles were replaced. The use of the fleet cars continues to save on repair and maintenance costs.

The provincial vehicle fleet comprises light duty vehicles under a lease agreement established in 2003-04 to provide volume cost savings and an option to extend agreements for low-mileage vehicles longer than the four-year term.

Performance Measures

Infrastructure and Transportation utilized two performance measures to indicate how well it achieved Goal 9 in 2005-06.[9]

[9] See Performance Measure Data Sources and Methodologies section for detailed description of data sources and measure methodology.



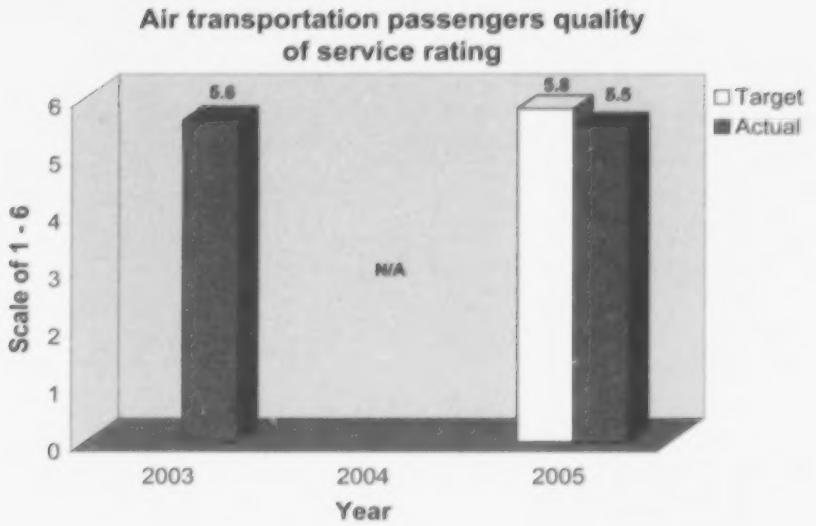
Client Satisfaction Survey
Measure 9.a

Infrastructure and Transportation partners with private sector service providers to provide safe and reliable transportation services to government ministries. The client satisfaction survey monitors the satisfaction of clients with vehicle services including contracts for leasing light duty vehicles as well as Fleet Service Card and providing executive vehicle services. Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied.

In 2005, clients rated their overall satisfaction at 5.1, which corresponds to "satisfied" on the six-point scale. This result is unchanged from the last client satisfaction survey conducted in 2003.

Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. Infrastructure and Transportation will continue to make every effort to ensure clients are apprised of program, policy and legislative changes in a proactive manner. Infrastructure and Transportation must continually balance the needs of clients facing diverse vehicle requirements with the cost-effectiveness of acquiring and leasing vehicles.

Client Satisfaction Survey
Measure 9.b



Infrastructure and Transportation manages government aircraft and continues to provide safe, responsive and cost-effective air transportation services. This measure represents the satisfaction with the overall level of service as perceived by Infrastructure and Transportation's air transportation clients. The survey monitors the satisfaction of clients with air transportation services including aircraft booking procedures, booking checklist information and scheduled air service. Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied.

In 2005, clients rated their overall satisfaction at 5.5, which corresponds to "satisfied" on the six-point scale. This result is consistent with the result of 5.6 in 2003 and slightly lower than the 2005 target of 5.8.

Client satisfaction ratings can be impacted by the last interaction a client may have had with the Ministry. Infrastructure and Transportation will continue to make every effort to ensure clients are apprised of program, policy and legislative changes in a proactive manner.

Clients may have to contend with unforeseen or short notice changes to scheduling in order to respond to priority aircraft requests. As well, an aging aircraft inventory may have resulted in lower client satisfaction, as older aircraft may not be available due to servicing/maintenance requirements.

Performance Measure Data Sources and Methodologies

Core Business One

Goal 1
Improve driver, vehicle, carrier, road and rail safety

Mechanical Safety of Commercial Vehicles
Measure 1.a

In 2005-06, seven North American Standard Level 1 Commercial Vehicle Safety Alliance (CVSA) Inspections were conducted at 64 survey sites for a total sampling of 448 commercial vehicles. These inspections are carried out between June and November to capture six consistent months of representative commercial vehicle traffic without the influence of seasonal weather.

The reporting requirements for 2004-05 differentiated the data collection for Out of Service defects by Require Minor Adjustments and Mechanical Safety Events. For 2005-06 these two categories were combined, as there is no difference between Out of Service defects that would make one more serious than another.

Seat Belt Usage - Alberta
Measure 1.b

Transport Canada collects seat belt usage data in the province through annual surveys on light duty vehicles, including passenger cars, passenger vans and light trucks in all provinces. Light duty vehicles do not include commercial vans or large trucks, farm equipment or vehicles which are not equipped with and do not require seat belts (e.g. vintage automobiles). A total of 515 urban and rural sites were used during the 2005 study, with a total of 123,898 vehicles with 176,969 individuals observed. On average, the results are accurate within plus or minus 0.2 per cent.

Seat Belt Usage - Rural Alberta
Measure 1.c

Measured every second year – not measured in 2005-06.

Involvement of Drinking Drivers in Fatal Collisions
Measure 1.d

Data for this measure was taken from the Ministry's Alberta Collision Information System (ACIS). The results for the measure are based on a calendar year. Drivers involved in casualty collisions resulting in a fatality are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision. Driver condition includes "normal," "had been drinking," "alcohol impaired," "impaired by drugs" and "fatigued/asleep." Driver condition was unspecified for 6,891 drivers involved in casualty collisions, which was not included in these results.

Involvement of Drinking Drivers in Injury Collisions
Measure 1.e

Data for this measure was taken from the Ministry's Alberta Collision Information System (ACIS). The results for the measure are based on a calendar year. Drivers involved in casualty collisions resulting in an injury are included in the results. Driver condition data is compiled from collision reports completed by the attending law enforcement officer. Drinking drivers are those who, in the officer's judgment, have consumed alcohol prior to the collision.

Driver condition includes "normal," "had been drinking," "alcohol impaired," "impaired by drugs" and "fatigued/asleep."

Core Business Two

Goal 2
Improve the safety, efficiency and effectiveness of provincial highway infrastructure

Physical Condition of Provincial Highways
Measure 2.a

The International Roughness Index (IRI) measures the roughness of roads and is used as an indicator of the overall physical condition of provincial highways.

The analysis of good, fair and poor sections uses standards established as a result of a comprehensive research study conducted by the University of Calgary in 2002. The recommendations made by the University of Calgary resulted in trigger values for condition being established. Trigger values are defined as the boundary between categories of good-fair and fair-poor, and are set using a proactive life-cycle analysis approach. The values are categorized by road classification and are based on one-kilometre segments.

Alberta Infrastructure and Transportation Standards

IRI Rating	110 km/h Highways	< 110 km/h Highways
Good	< 1.5 m/km	< 1.5 m/km
Fair	1.5 – 1.89 m/km	1.5 – 2.09 m/km
Poor	≥ 1.9 m/km	≥ 2.1 m/km

After existing good, fair and poor segments are identified, anticipated work activities and pavement deterioration rates are incorporated to determine future performance targets.

The IRI rating for all highways is obtained through data collected annually by consultants on behalf of the Ministry. Using laser-based equipment, the consultant reports the average IRI value over a 50-metre segment of the highway. This detailed data is further averaged over one-kilometre sections to provide an assessment of condition over practical lengths.

In 2005, one consulting firm collected the IRI values for all highways in the provincial highway network where it was practical to do so. Sections where construction was occurring were not collected, but assumed values of IRI were used. In a very small number of sections, data collection was not completed for other reasons, and in these instances, values from previous years were used, with an assumed deterioration rate applied.

Utilization of Provincial Highways
Measure 2.b

Level of Service (LOS) is an international measure based on traffic's ability to move freely. The LOS calculations are based on the methodology outlined by the United States Transportation Research Board Highway Capacity Manual. Traffic capacity was determined for each highway segment from Infrastructure and Transportation's physical inventory. Traffic demand was calculated using traffic volume data (for peak-hour volumes) collected along the highway network throughout the province. Intersection counts were also performed to determine the types of vehicles using each section of highway, as this is a factor in the LOS calculations. The traffic data is collected continuously and reported annually by consultants. Levels of service are defined as follows:

LOS A Traffic is practically unimpeded.
LOS B Ability to maneuver within traffic is only slightly restricted.
LOS C Freedom to maneuver within traffic is noticeably restricted.
LOS D Freedom to maneuver is severely limited.
LOS E Boundary between levels D and E describes operation at capacity. There are virtually no usable gaps in traffic.
LOS F There is a breakdown of traffic flow. This is characterized by stop and go conditions.

Functional Adequacy of Provincial Highways
Measure 2.c

Functional Adequacy is calculated by preparing an inventory of the various segments of highway that have five types of deficiencies based on Alberta Infrastructure and Transportation standards and practices. If a section of highway has a deficiency for any of the factors it is considered to be functionally inadequate. The percentage of the highway network that meets target criteria for functional adequacy is the total length of roadway minus the total length of roadway with a deficiency, divided by the total length of roadway, multiplied by 100. The methodology and data sources for each of the component factors are discussed below.

Width Deficiencies

Data on existing road widths is obtained from the Ministry pavement management system. The acceptable road width for each highway is determined using the 3R/4R chapter (resurfacing, rehabilitation, restoration, and reconstruction) of the Alberta Infrastructure and Transportation Highway Geometric Design Guide. The actual width and the acceptable width are then compared to determine whether a deficiency exists.

This analysis of deficiencies was done for every kilometre of paved provincial highway.

Geometric Deficiencies

Geometric deficiencies are based on horizontal curve geometrics, using alignment data collected by consultants. This data is compared to requirements in the Alberta Infrastructure and Transportation Highway Geometric Design Guide to arrive at deficiencies. The existing published results are based on data collected in 2004-05.

Improvements at deficient locations due to construction activities since 2004-05 have been considered in the calculations.

This analysis of deficiencies was done for every kilometre of paved provincial highway.

Surface Type Deficiencies
A traffic volume of 400 vehicles per day is used to determine the need for a paved surface, and subsequently to identify deficiencies where the criterion is not met. Consultants collect traffic volume data and existing surface types are derived from the Ministry's internal pavement management system.

This analysis of deficiencies was done for every kilometre of graveled provincial highway.

Road Bans
Road ban information for provincial highways is obtained using data from internal sources. The Transport Engineering Branch monitors the need for and issues road bans on the provincial highway system. As road bans are issued, they are entered into an internal database, which is updated as road ban status changes for particular highways.

The analysis is done for every kilometre of provincial highway.

Provincial Highway Paving
Measure 2.d

This measure is based on construction project data. The remaining kilometres are calculated by taking the total list of gravel highways requiring paving (determined for the 2005-08 business plan), and subtracting from that list those highways that were paved in 2005-06.

Construction Progress on the North-South Trade Corridor
Measure 2.e

Construction progress is based on construction project and highway network data. The percentage is calculated by totalling the number of kilometres twinned and open to travel versus the total kilometres of the corridor (1,170 kilometres).

Ring Roads in Edmonton and Calgary
Measure 2.f

Ring road progress is based on construction project data. The percentage is calculated by totalling the number of kilometres multi-laned and open to travel versus the total kilometres along the corridor (179 kilometres).

Goal 3
Ensure safe and effective water management infrastructure on behalf of Environment

Progress on Completion of Major Water Management Construction Projects
Measure 3.a

The completion of major water management construction projects is monitored throughout the fiscal year by utilizing expenditure forecasts. The results for the

measure are based on the actual construction costs for the fiscal year by the total estimated project cost. Financial information is obtained from the Ministry's Contract Management System (CMS) and the provincial government's financial system IMAGIS. Infrastructure and Transportation staff developed the completion estimates for these projects.

Goal 4
In partnership with all ministries, effectively plan and manage government owned and leased facilities to support the delivery of government programs

Ministry Owned and Operated Facilities - Physical Condition
Measure 4.a

The data was collected through condition assessments by Ministry staff and consultants over a five-year cycle, with one-fifth of the owned buildings evaluated each year. Facilities owned by the provincial government but leased or operated by others were excluded from this measure. The data collected is stored in an electronic database using a program called Real Estate Capital Asset Priority Planning (RECAPP). RECAPP is produced and maintained by a private sector vendor. The software and its associated methodology are used by other jurisdictions in education, public works and property management settings.

Ministry Owned and Operated Facilities - Utilization
Measure 4.b

Based on individual building occupancy rates, all eligible facilities over 1,000 gross square metres were rated, and the total square metres of inventory was calculated based on eligible facilities. To calculate the percentage of utilization, the total square metres of all facilities within targeted capacity was divided by the total square metres of the total inventory.

An internal Infrastructure and Transportation database houses Ministry owned and operated facilities data, including space used by quasi-government organizations that provide programs and services to communities and the public. The measure excludes buildings sold in the reporting year, and government-owned facilities on 25 to 40-year leases where the Ministry of Infrastructure and Transportation was not responsible for maintenance, including Ministry-owned health facilities operated by health regions and actively used as health facilities.

Ministry Owned and Operated Facilities - Functional Adequacy
Measure 4.c

The square metre total of each facility is assessed according to its adequacy. The square metres of all facilities that are rated as acceptable is then divided by the square metres of the entire eligible inventory to calculate the overall percentage reported in this measure.

An acceptable or unacceptable rating for each facility is based on assessments by Infrastructure and Transportation staff. The assessment is done in consultation with other ministries across the provincial government that are either the residents or primary users of a particular building. The assessment considers general criteria, including but not limited to site location and access; building and site circulation

and services; program location and layout; indoor environment; building services; and its overall capacity to accommodate and support program delivery. Discretion is used by staff from Infrastructure and Transportation and other ministries in determining the final rating, based on their knowledge of the facility and whether or not it can meet current and planned program delivery needs. If a facility meets these needs, it is rated as providing "acceptable" functional service to residents and clients.

Average Operating Cost per Square Metre of Ministry Owned and Operated Office Space
Measure 4.d

The Benchmarks 2005 survey was used for the operating cost measure. Infrastructure and Transportation provided the data for the measure from an internal database of all Ministry owned and operated facilities larger than 1,000 gross square metres.

The average operating cost per square metre measure is based on a comparison of two separate cost numbers.

The first calculation used is taken from an independent industry benchmark survey. This provides the industry average operating cost per rentable square metre of office space. The survey consists of a representative sample of buildings from other government organizations and private sector companies across Canada, including one owned and three leased Infrastructure and Transportation office buildings.

The second calculation provides the average operating cost per rentable square metre for all Infrastructure and Transportation owned office buildings. There were 73 office buildings included in the calculation, using the same methodology as in the benchmark survey mentioned above.

The data for this second calculation comes from the Alberta Government Integrated Management Information System, Facilities and Business Information System, Building and Land Information Management System, and the Grants in Place of Taxes program of Municipal Affairs.

Energy Consumption per Square Metre in Ministry Owned and Operated Facilities
Measure 4.e

The energy consumption per square metre measure indicates how effectively the Ministry is managing energy and associated costs in Ministry-owned buildings using a simple formula: the total annual energy consumption for all buildings divided by the total gross square metres.

Energy consumption data for over 1,000 gas and electricity sites is provided by various retailers during the year and entered into the Energy Consumption Reporting System. The data is validated, converted from gigajoules and kilowatt-hours into megajoules, and totalled for all buildings. The gas total is adjusted using monthly actual and normal degree data from Environment Canada to compensate for weather variations. To calculate the measure, the total weather-adjusted consumption is divided by the total square metres based on the building areas reported by the Building and Land Information Management System (BLIMS).

Goal 5
Support municipal infrastructure needs

Core Business Three

Client Satisfaction Survey
Measure 5.a

Respondents were asked to rate their satisfaction when answering the question, "Looking back to 2005, how satisfied were you with overall quality of service?" with respect to the management of municipal grant programs.

The measure is reported as the percentage of municipal clients satisfied with overall quality of service. It includes all clients providing a response of "somewhat satisfied", "satisfied" and "very satisfied". An external consultant was engaged to undertake this survey, ensuring the confidentiality of individual results.

The 2005 client satisfaction survey was delivered by mail to 321 municipal clients with later telephone follow-up. Municipal clients are defined as organizations that have interacted with Ministry staff regarding municipal grant programs in the 2005 calendar year and primarily include municipalities and towns. There were a total of 176 surveys completed and returned for a response rate of 55 per cent. Nine municipal client contacts were excluded from the analysis due to incorrect contact information, surveys being returned as undeliverable and/or clients indicating that they did not have contact with the Ministry in 2005.

On average, the results are accurate within plus or minus 4.8 per cent, 19 times out of 20.

Goal 6
Provide leadership and funding for the development and preservation of health facilities, schools, post-secondary institutions and seniors' lodges

Health Facilities Physical Condition
Measure 6.a

The Facility Condition Index (FCI) ratio is the cost to correct current and future (five-year) physical condition deficiencies, relative to current replacement values. If a building has an FCI of less than 15 per cent, it is in good condition; if it is greater than or equal to 15, and less than or equal to 40 per cent, it is in fair condition; and if the FCI exceeds 40 per cent, it is in poor condition. Information on physical condition deficiencies was obtained through facility evaluations conducted by professional consultants or qualified staff of the health regions. Facility ratings were reviewed by Infrastructure and Transportation, in consultation with the health regions, to assess whether facility assessment information was complete. In cases where facility evaluation data was incomplete, Infrastructure and Transportation estimated the total physical condition costs.

Current replacement values were determined using factors such as construction type, maintenance responsibility type, location and gross building area. Health facility replacement values are generated and confirmed in a process that involves Ministry cost managers, program areas and health region representatives based on ongoing working knowledge obtained through on-site participation.

Schools Physical Condition
Measure 6.b

The original data set was obtained from condition assessments performed in 1999-2000 of school facilities owned by school boards and funded by Infrastructure and Transportation and does not include outreach facilities and non-school buildings such as maintenance facilities and administration offices. Private consultants conducted all assessments. Those facilities with a point rating between 0 and 399 were considered in good condition; those with 400 to 799 points were considered in fair condition; and those with 800 or more points were considered in poor condition.

Over the past few years, the Ministry has started to refresh the original assessment data over a five-year period. Initial point ratings were based on condition assessments performed in 1999-2000. The Ministry is in the process of conducting follow-up evaluations on the original 1999-2000 assessments, which began in 2004. However, the difference in this current approach is:

- Staged implementation. Rather than evaluating all schools at once in a short timeframe, the objective for this round of assessments is to implement an ongoing process whereby a school will be assessed once every five years. This approach equates to approximately 300 facilities being audited each year.
- Rather than focusing on reporting a raw score, the FCI is calculated in order to comply with the approach used for other facility assessments. Although the end result for an FCI might differ from the previous approach, it still identifies a good, fair and poor rating.

Unlike the original 1999-2000 assessments, which used a point-based approach, the facility re-assessments calculate the Facility Condition Index. The FCI is the ratio of forecasted costs to correct physical deficiencies relative to the replacement value. This ratio is then expressed as a percentage based on the same three-point scale used in the 1999-2000 assessments: i.e., good, fair and poor.

The three-point scale that was used in both the original 1999-2000 condition assessments and the ongoing facility re-assessments is defined as follows: if the FCI is less than 15 per cent, the facility is in good condition; if the FCI is greater than or equal to 15, and less than or equal to 40 per cent, the facility is in fair condition; and if the FCI exceeds 40 per cent, the facility is in poor condition.

Ratings have been updated to include the estimated effect of modernizations conducted since the initial condition assessments. The extent to which schools have deteriorated since the initial assessments has not been determined.

Replacement costs for facilities evaluated in the original assessment have been adjusted for inflation. The ratings from schools that have been re-evaluated have been included in these results.

The total cost of deficiencies was calculated by taking the estimated cost of remedial work recommended for the next five years to bring the condition level to acceptable and adjusting it for factors such as location, contingency and consultant fees. Replacement costs were adjusted for inflation for facilities where recent information was not available.

Post-Secondary Institutions Physical Condition
Measure 6.c

When the methodology was first developed it was based on a Facility Condition Index scale defining 0-15 per cent as good, 15-50 per cent as fair and over 50 per cent as poor. In 2003-04, the scale was revised with the intent to apply the same condition scale to all government owned and supported facilities in the future. The FCI that was applied to report the results for the past two years defines good condition as less than 15 per cent; fair condition if it is greater than 15 or equal to 15, and less than or equal to 40 per cent; and poor condition if the FCI exceeds 40 per cent.

Consultants gathered the original baseline data through a facility condition study completed in September 2002. Post-secondary institutions update the information, which is validated by the Ministry on an annual basis.

The data assists with establishment of priorities, funding decisions and development of long-term facility management and capital plans. The boards of institutions, Advanced Education and Infrastructure and Transportation jointly share the responsibility for the condition of post-secondary facilities.

Client Satisfaction - Boards
Measure 6.d

The boards satisfaction measure is a new measure for the 2005-08 Business Plan and monitors the satisfaction of regional health authority, post-secondary institution and school (Kindergarten to Grade 12) boards with the overall quality of service received from Ministry staff.

Respondents were asked to rate their satisfaction with key services and programs when answering the question, "Looking back to 2005, how satisfied were you with the overall quality of service?" Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied.

An invitation to complete the 2005 survey was sent by e-mail to the boards of regional health authorities, post-secondary institutions and schools (Kindergarten to Grade 12) with later telephone follow-up. Out of the 108 boards approached, responses to the relevant survey questions were received from a total of 33 respondents achieving a response rate of 30 per cent. The relatively small number of responses may influence the validity of the results, as small populations tend to magnify differences among respondents, which may result in exaggerated rather than truly representational results.

The results methodology has been modified from that used to present the last actual results from 2003 in the 2005-08 Business Plan in order to provide a more accurate assessment of performance. As a result, the 2003 results have been restated from 4.8 in the 2005-08 business plan to 4.7 in order to provide comparability with the latest result of 4.6 for 2005.

Responses from all boards to the question dealing with "overall quality of services" were then combined in a weighted average for reporting; the 2003 value was recalculated accordingly. Originally for the 2005-08 Business Plan, a simple average was used to produce the 2003 value. On average, the 2005 results are accurate within plus or minus 0.4 of a point based on a six-point scale.

Core Business Four

Goal 7
Work with stakeholders and other jurisdictions to develop and promote policies in support of efficient transportation

Barrier-Free
Measure 7.a

Under development

Stakeholder Satisfaction Survey
Measure 7.b

Under development

Core Business Five

Goal 8
Provide cross-ministry leadership and support to priority programs and initiatives

Client Satisfaction Survey
Measure 8.a

Respondents were asked to rate their satisfaction with realty services when answering the question, "Looking back to 2005, how satisfied were you with overall quality of service?" Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied. An invitation to complete the 2005 survey was sent by e-mail to 24 client ministries with later telephone follow-up. There were a total of six surveys completed and returned for a response rate of 25 per cent. The relatively small size of the population who responded influences the validity of the results. Small populations tend to magnify differences among respondents, which may result in exaggerated rather than truly representational results. On average, the 2005 results are accurate within plus or minus 0.33 of a point based on a six-point scale.

Goal 9
Efficiently manage the government's air and vehicle fleets

Client Satisfaction Survey
Measure 9.a

Respondents were asked to rate their satisfaction with air services when answering the question, "Looking back to 2005, how satisfied were you with overall quality of service?" Client satisfaction was measured according to a balanced six-point scale where one represents very unsatisfied and six represents very satisfied. An invitation to complete the 2005 survey was sent by e-mail to 24 client ministries with later telephone follow-up. There were a total of eight surveys completed and returned for a response rate of 33 per cent. The relatively small size of the population who responded influences the validity of the results. Small populations tend to magnify differences among respondents, which may result in exaggerated rather than truly representational results. On average, the 2005 results are accurate within plus or minus 0.44 of a point based on a six-point scale.

Client Satisfaction Survey
Measure 9.b

Respondents were asked to rate their satisfaction with vehicle services when answering the question, "Looking back to 2005, how satisfied were you with overall quality of service?" Client satisfaction was measured according to a balanced six point scale where one represents very unsatisfied and six represents very satisfied. An invitation to complete the 2005 survey was sent by e-mail to 24 client ministries with later telephone follow-up. There were a total of eight surveys completed and returned for a response rate of 33 per cent. The relatively small size of the population who responded influences the validity of the results. Small populations tend to magnify differences among respondents, which may result in exaggerated rather than truly representational results. On average, the 2005 results are accurate within plus or minus 0.37 of a point based on a six-point scale.

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AUDITOR GENERAL
Alberta

Auditor's Report

To the Members of the Legislative Assembly

I have audited the statement of financial position of the Ministry of Infrastructure and Transportation as at March 31, 2006 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the Ministry's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Ministry of Infrastructure and Transportation as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Fred J. Dunn FCA
Auditor General

Edmonton, Alberta
May 19, 2006

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF OPERATIONS
Year ended March 31, 2006

(in thousands)

	2006 Budget (Schedule 4)	2006 Actual	2005 Actual (Restated - Note 3)
Revenues (Schedule 1)			
Transfer from Lottery Fund	$ 394,000	$ 394,000	$ 325,000
Transfers from Government of Canada	92,691	126,214	26,445
Fees, Permits and Licenses	13,920	26,039	21,009
Investment income	4,000	14,015	5,871
Other Revenue			
Refunds of Expenditures	3,175	6,646	18,313
Miscellaneous	42,511	51,092	37,666
	550,297	618,006	434,304
Expenses - Directly Incurred (Note 2b and Schedule 8)			
Voted (Schedules 3 and 5)			
Ministry Support Services	54,842	52,838	50,660
Infrastructure Operations, Preservation and Expansion	2,991,332	3,404,170	2,698,865
	3,046,174	3,457,008	2,749,525
Statutory			
Infrastructure Operations, Preservation and Expansion Valuation Adjustments			
Provision for Doubtful Accounts	-	629	272
Provision(Decrease) for Vacation Pay	-	1,045	(124)
Provision for Future Site Remediation and Reclamation	-	5,655	-
	-	7,329	148
	3,046,174	3,464,337	2,749,673
Gain on Disposal of Tangible Capital Assets	-	(5,561)	(10,121)
Net Operating Results	$ (2,495,877)	$ (2,840,770)	$ (2,305,248)

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF FINANCIAL POSITION
As at March 31, 2006

(in thousands)

	2006	2005 (Restated - Note 3)
ASSETS		
Cash	$ 835	$ 1,320
Accounts Receivable (Note 4)	99,751	36,046
Advances (Note 5)	156	187
Inventories (Note 6)	14,807	14,064
Tangible Capital Assets (Note 7)	9,005,991	8,408,311
	$ 9,121,540	$ 8,459,928
LIABILITIES		
Accounts Payable and Accrued Liabilities	$ 305,003	$ 248,582
Holdbacks Payable	46,017	31,215
Deferred Revenue	43,184	3,785
Obligation under Public Private Partnership (Note 11)	125,985	8,000
Liabilities for Future Site Remediation and Reclamation	35,666	29,386
	555,855	320,968
NET ASSETS		
Net Assets at Beginning of Year	8,138,960	7,850,922
Net Operating Results	(2,840,770)	(2,305,248)
Net Transfer from General Revenues	3,267,495	2,593,286
Net Assets at End of Year	8,565,685	8,138,960
	$ 9,121,540	$ 8,459,928

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
STATEMENT OF CASH FLOWS
Year ended March 31, 2006

	(in thousands) 2006	2005 (Restated - Note 3)
Operating Transactions		
Net Operating Results	$ (2,840,770)	$ (2,305,248)
Non-cash items included in Net Operating Results:		
Amortization (Schedule 5)	255,063	240,990
Gain on Disposal of Tangible Capital Assets	(5,561)	(10,120)
Grants in Kind	84	3,852
Donated Tangible Capital Asset	(12,609)	-
Non-cash Revenue	1,177	-
Provision for Future Site Remediation and Reclamation	6,280	625
Inventory Adjustment	(60)	71
Consumption of Inventory (Schedule 5)	20,101	26,297
Valuation Adjustments	1,674	148
	(2,574,621)	(2,043,385)
Changes in Working Capital		
Increase in Accounts Receivable	(64,334)	(277)
Decrease in Advances	31	114
Increase in Accounts Payable and Accrued Liabilities	55,376	9,961
Increase in Holdbacks Payable	14,802	12,453
Increase in Deferred Revenue	39,399	2,117
Cash Applied to Operating Transactions	(2,529,347)	(2,019,017)
Capital Transactions		
Acquisition of Tangible Capital Assets (Schedule 5)	(746,000)	(614,055)
Purchase of Inventories (Schedule 5)	(20,749)	(25,644)
Transfer of Tangible Capital Assets to Other Government Entities (Schedule 7)	16,279	46,843
Proceeds from Disposal of Tangible Capital Assets	11,837	18,760
Cash Applied to Capital Transactions	(738,633)	(574,096)
Financing Transactions		
Net Transfer from General Revenues	3,267,495	2,593,286
(Decrease) Increase in Cash	(485)	173
Cash, Beginning of Year	1,320	1,147
Cash, End of Year	$ 835	$ 1,320

The accompanying notes and schedules are part of these financial statements.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 1 AUTHORITY AND PURPOSE

The Ministry of Infrastructure and Transportation operates under the authority of the Government Organization Act, Chapter G-10, Revised Statutes of Alberta 2000.

The Minister is responsible for:

- working with partners to provide cost-effective, innovative and sustainable building infrastructure to support the delivery of government services;
- managing government owned and operated facilities;
- providing realty services for government facilities;
- managing government air and vehicle fleets;
- the development, construction and maintenance of an integrated transportation system to facilitate the safe and efficient movement of people and products, and the economic development of the Province;
- assisting in the provision of municipal water supply and waste water facilities;
- administering and providing funding for the Infrastructure Canada-Alberta Program which funds a wide variety of municipal infrastructure projects; and
- water management infrastructure under construction.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

The recommendations of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants are the primary source for the disclosed basis of accounting. These financial statements are prepared in accordance with the following accounting policies that have been established by government for all departments.

(a) Reporting Entity

The reporting entity is the Ministry of Infrastructure and Transportation which consists of the Department of Infrastructure and Transportation for which the Minister of Infrastructure and Transportation is accountable.

All departments of the Government of Alberta operate within the General Revenue Fund (the Fund). The Fund is administered by the Minister of Finance. All cash receipts of departments are deposited into the Fund and all cash disbursements made by departments are paid from the Fund. Net transfer (to) from General Revenues is the difference between all cash receipts and all cash disbursements made.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

(b) Basis of Financial Reporting

Revenues

All revenues are reported on the accrual basis of accounting. Cash received for which goods or services have not been provided by year end is recorded as unearned revenue.

Transfers from Government of Canada are recognized as revenues when authorized by federal legislation or federal/provincial agreements, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made.

Internal Government Transfers

Internal government transfers are transfers between entities within the government reporting entity where the entity making the transfer does not receive any goods or services directly in return.

Dedicated Revenue

Dedicated Revenue initiatives provide a basis for authorizing spending. Dedicated revenues are shown as credits or recoveries in the details of the Government Estimates for a supply vote. If actual dedicated revenues are less than budget and total voted expenses are not reduced by an amount sufficient to cover the deficiency in dedicated revenues, the following year's voted expenses are encumbered. If actual dedicated revenues exceed budget, the Ministry may, with the approval of the Treasury Board, use the excess revenue to fund additional expenses on the program. Schedule 2 discloses information on the Ministry's dedicated revenue initiatives.

Expenses

Directly Incurred

Directly incurred expenses are those costs the Ministry has primary responsibility and accountability for, as reflected in the Government's budget documents.

In addition to program operating expenses like salaries, supplies, etc., directly incurred expenses include:

- amortization of tangible capital assets.
- pension costs which comprise the cost of employer contributions for current service of employees during the year.
- valuation adjustments which include changes in the valuation allowances used to reflect financial assets at their net recoverable or other appropriate value. Valuation adjustments also represent the change in management's estimate of future payments arising from obligations relating to vacation pay, guarantees and indemnities.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

- government transfers which are transfers of money to an individual, an organization or another government for which the Ministry does not receive any goods or services directly in return. The major types of transfers and corresponding recognition criteria are as follows:
  - grants are recognized as expenses when authorized, eligibility criteria if any are met, and a reasonable estimate of the amounts can be made;
  - entitlements, which are non-discretionary because the amounts and recipients are prescribed, are recognized when eligibility occurs;
  - transfers under shared cost agreements, which are reimbursements of eligible expenditures, are recognized when the expenditures occur.

Incurred by Others

Services contributed by other entities in support of the Ministry operations are disclosed in Schedule 8.

Assets

Financial assets of the Ministry are limited to financial claims, such as advances to and receivables from other organizations, employees and other individuals.

Inventories are valued at lower of cost or replacement cost.

Assets acquired by right are not included. Tangible capital assets of the Ministry are recorded at historical cost and amortized on a straight-line basis over the estimated useful lives of the assets. The threshold for capitalizing new systems development is $100,000 and the threshold for all other tangible capital assets is $5,000. All land is capitalized.

Tangible capital assets of the Ministry include work in progress for buildings, computer hardware and software, highways and bridges. These costs are capitalized but not amortized until the asset is in service.

Donated tangible capital assets are recorded at their fair value at the time of contribution.

When physical assets (tangible capital assets and inventories) are gifted or sold for a nominal sum to parties external to the government reporting entity, the fair values of these physical assets, less any nominal proceeds, are recorded as grants in kind.

Liabilities

Liabilities are recorded to the extent that they represent obligations as a result of events and transactions occurring prior to the end of the fiscal year. The settlement of liabilities will result in a sacrifice of economic benefits in the future.

Net Assets

Net assets represents the difference between the carrying value of assets held by the Ministry and its liabilities.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)

Valuation of Financial Assets and Liabilities

Fair value is the amount of consideration agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act.

The fair values of accounts receivable, advances, accounts payable, accrued liabilities, and holdbacks are estimated to approximate their carrying values because of the short term nature of these instruments.

Measurement Uncertainty
(in thousands)

Measurement uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Energy Rebates

Accrued liabilities for Energy Rebates recorded as $113,483 (2005-$56,910) in these financial statements are subject to measurement uncertainty. This amount is calculated based on management's estimate of rebate claims to be received subsequent to March 31, 2006. The rebate claims received are dependant on the market cost of natural gas and the consumption of natural gas which is dependant on the weather. Historical results indicate that these estimates may vary by as much as 10%.

Site Remediation and Reclamation

Liabilities for Future Site Remediation and Reclamation recorded as $35,666 (2005-$29,386) in these financial statements are subject to measurement uncertainty. This amount is based on consultant's estimates of and historical costs to remediate or reclaim sites. Actual costs may vary from these estimates.

Site Remediation and Reclamation

Certain liabilities exist for site remediation and reclamation which are or may be the responsibility of the Ministry. The potential costs relate to restoring building and other sites to acceptable contractual or environmental standards. A list of all potential sites has been compiled. For those sites where remediation is considered likely, a liability has been recorded based on management's best estimates. For all other sites, a reasonable estimate of potential liability cannot be made at this time.

NOTE 3 PROGRAM TRANSFERS AND PRIOR PERIOD RESTATEMENT

(in thousands)

The School Facilities Operations program was transferred to the Department of Education effective April 1, 2005. Comparative figures for the year ended March 31, 2005 have been restated to reflect this transfer. This resulted in a decrease in expenses of $349,543 for the period ended March 31, 2005.

The Rural Affordable Supportive Living program was transferred to the Department of Seniors and Community Supports effective April 1, 2005. There were no comparative expenses under this program for the period ended March 31, 2005.

Effective April 1, 2006, the School Facilities Infrastructure, Post-Secondary Facilities Infrastructure, and Health Care Facilities Infrastructure programs were transferred to Ministries of Education, Advanced Education and Health and Wellness respectively.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 4 ACCOUNTS RECEIVABLE

(in thousands)

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Transfers from Government of Canada	$ 83,436	$ -	$ 83,436	$ 24,150
Swan Hills Treatment Plant	3,517	-	3,517	2,529
Rental and Other	3,172	339	2,833	1,136
Refunds from suppliers	742	-	742	2,016
Interest Receivable	1,559	-	1,559	1,174
Seniors' Lodges	131	131	-	-
Fees, Permits and Licenses	4,330	657	3,673	2,918
Cost Recoveries	3,991	-	3,991	2,123
	$ 100,878	$ 1,127	$ 99,751	$ 36,046

Accounts receivable are unsecured and non-interest bearing. The allowance for doubtful accounts is subject to measurement uncertainty.

NOTE 5 ADVANCES

(in thousands)

	2006			2005
	Gross Amount	Allowance for Doubtful Accounts	Net Realizable Value	Net Realizable Value
Travel advances (1)	$ 76	$ -	$ 76	$ 85
Other advances	80	-	80	102
	$ 156	$ -	$ 156	$ 187

(1) The Ministry has used funds advanced by Alberta Finance to provide travel advances.

NOTE 6 INVENTORIES

(in thousands)

Inventories consist of consumables and repair parts for the delivery of highway transportation programs, waste treatment services and air transportation services .

	2006	2005
Sand, salt and gravel	$ 11,327	$ 10,969
Chemical and parts inventories	1,883	1,584
Aircraft parts and supplies	1,597	1,511
	$ 14,807	$ 14,064

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 7 TANGIBLE CAPITAL ASSETS

(in thousands)

The cost of assets and the related accumulated amortization for the Ministry are summarized below.

		2006			2005
	Estimated Useful Life	Cost (2)	Accumulated Amortization	Net Book Value	Net Book Value
Land	Indefinite	$ 989,977	$ -	$ 989,977	$ 963,545
Land Improvements	40 years	8,143	1,385	6,758	10,348
Buildings	40 years	1,929,494	913,853	1,015,641	870,447
Equipment	5-40 years	44,905	23,908	20,997	20,494
Computer hardware and software	3-10 years	104,518	63,843	40,675	38,130
Provincial highways and roads (1)	50 years	8,642,614	2,525,281	6,117,333	5,788,630
Bridges	50 years	958,467	250,430	708,037	627,595
Dams and water management structures (3)		62,488	-	62,488	56,966
Other (4)	3-40 years	109,428	65,343	44,085	32,156
		$ 12,850,034	$ 3,844,043	$ 9,005,991	$ 8,408,311

(1) Highways include original pavement, roadbed, drainage works, and traffic control devices.

(2) Included in the cost of land, buildings, equipment, computer hardware and software, Provincial Highways and roads, bridges, and dams and water management structures is work in progress amounting to $483,834 ($2005 - $497,100).
Included in the cost of Provincial Highways and roads is estimated progress to date of $150,985 ($2005 - $8,000) on the South East Anthony Henday Ring Road. See Note 11.

(3) Dams and water management structures are constructed by the Ministry and transferred to the Department of Environment upon their completion. The Ministry of Infrastructure and Transportation does not amortize these assets.

(4) Includes trailers, leasehold improvements, aircraft, and spare aircraft engines.

NOTE 8 STRATEGIC HIGHWAY INFRASTRUCTURE PROGRAM

In August 2001, the Alberta Government and the Federal Government signed a five-year Strategic Highway Infrastructure Program (SHIP) agreement. Under the agreement, the two governments will share the costs of certain projects for the construction and rehabilitation work on the national highway system in the Province. Alberta Infrastructure and Transportation will undertake the projects and the Federal Government will reimburse 50% of the eligible cost of approved projects.

Transfers from the Federal Government are recognized as revenue when eligible expenses are incurred. The full cost of the project is being capitalized and amortized over the useful life of the infrastructure.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 9 CANADA STRATEGIC INFRASTRUCTURE FUND

(in thousands)

The Canada Strategic Infrastructure Fund (CSIF) is a program whereby the Federal Government contributes funding to large scale infrastructure projects across the country. There are two projects that the Department will be receiving funding for under CSIF - Edmonton Ring Road ($75,000 over 3 years beginning in 2005/06) and Calgary Ring Road ($75,000 over 4 years beginning in 2005/06).

Transfers from the Federal Government are recognized as revenue when eligible expenses are incurred. The full cost of the projects will be capitalized and amortized over the useful life of the infrastructure.

NOTE 10 CONTRACTUAL OBLIGATIONS

(in thousands)

As at March 31, 2006, the Ministry had the following contractual obligations:

	2006	2005
Capital Investment		
Construction Contracts and Service Agreements (1)	$ 615,059	$ 608,050
Operating Expense		
Information Technology Agreements	21,792	37,220
Service and Maintenance Agreements	725,367	803,912
Grants	4,509,197	1,385,787
Long-term Leases (1)	477,786	460,125
	$ 6,349,201	$ 3,295,094

(1) Amount does not include Obligation Under Private Public Partnership - See Note 11.
The aggregate amounts payable for the unexpired terms of these contractual obligations are as follows:

	Construction Contracts and Service Agreements	Information Technology Agreements	Service and Maintenance Agreements	Grants	Leases	Total
2007	$ 467,837	$ 15,395	$ 247,282	$ 1,472,524	$ 107,768	$ 2,310,806
2008	111,841	2,223	107,470	1,139,378	93,977	1,454,889
2009	24,015	2,174	80,316	1,139,605	76,078	1,322,188
2010	7,678	2,000	52,569	710,535	64,432	837,214
2011	3,170	-	44,211	45,413	45,533	138,327
Thereafter	518	-	193,519	1,742	89,998	285,777
	$ 615,059	$ 21,792	$ 725,367	$4,509,197	$ 477,786	$ 6,349,201

Included in the above amounts are contractual obligations for grants for schools, post-secondary facilities and health care facilities. Effective April 1, 2006, the School Facilities Infrastructure, Post-Secondary Facilities Infrastructure, and Health Care Facilities Infrastructure programs were transferred to Ministries of Education, Advanced Education and Health and Wellness respectively.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 10 CONTRACTUAL OBLIGATIONS (continued)

(in thousands)

In addition to the contractual commitments identified above, Alberta Infrastructure and Transportation has entered into 108 contracts with natural gas suppliers to provide rebates to consumers under the Natural Gas Price Protection Act. The obligations associated with these contracts are not included in the amounts disclosed above as the amounts that may be paid under these contracts cannot be estimated and are contingent upon future market rates for natural gas and upon weather conditions that may exist during the rebate period. The expense incurred under these contracts was $565,858 (2005 - $245,100)

In the event that the market cost of natural gas exceeds the trigger price during a rebate period, Alberta Infrastructure and Transportation will reimburse natural gas suppliers for rebates applied to customer accounts at the following rates:

Cost of Gas		
From	To	Rebate per GJ
$0.000	$5.500	No rebate
5.501	7.500	$1.50
7.501	9.000	$2.50
9.001	12.000	$3.25
over 12.000		explanation below

Where the Alberta Price is over $12.000/GJ, the rebate for the marketable gas or other substance is the total of the amount calculated above and

(a) in the case of marketable gas, an additional amount per GJ that is equal to the amount by which the Alberta Price exceeds $12.000/GJ, and

(b) in the case of another substance, an additional amount per litre or kWh, as the case may be, calculated on a heat equivalent basis as determined by the Minister and based on the amount by which the Alberta Price exceeds $12.000/GJ.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 11 OBLIGATION UNDER PUBLIC PRIVATE PARTNERSHIP

(in thousands)

In January 2005, the Ministry entered a contract for the design, finance, build and maintenance of the South East Anthony Henday Ring Road. Construction has commenced, and is scheduled to be complete in October 2007. The project is being jointly funded by the Federal Government and the Ministry. The Federal contribution consists of annual payments of $25,000 in the three years commencing in 2005-06 and ending in 2007-08 subject to completion of specific milestones. Upon completion of the project, the Ministry will lease the road from the contractor for a 30 year period. Lease payments will begin in October 2007 or upon completion of the project, whichever is later. The net present value of the minimum lease payments at October 2007 calculated using the Government of Alberta borrowing rate of 5.3% is $356 million. The details of the capital lease payments for the South East Anthony Henday Ring Road are identified below. The monthly capital payments including interest and principal are $1.95 million. There is also monthly variable operating payments for maintenance of the South East Anthony Henday Ring Road which commence in October 2007. These payments will be indexed for inflation.

As at March 31, 2006, the Ministry had the following commitments for the Public Private Partnership :

	2006	2005
Capital Lease Payments	$ 702,830	$ 702,830
Maintenance Payments	312,299	312,299
Federal Contribution (Note 9)	50,000	75,000
	$ 1,065,129	$ 1,090,129

The aggregate amounts payable for the unexpired term of the obligation is as follows:

	Capital Lease	Maintenance	Federal Contribution	Total
2007	$ -	$ -	$ 25,000	$ 25,000
2008	10,139	3,845	25,000	38,984
2009	23,428	8,508	-	31,936
2010	23,428	10,173	-	33,601
2011	23,428	12,736	-	36,164
Thereafter	622,407	277,037	-	899,444
	$ 702,830	$ 312,299	$ 50,000	$ 1,065,129

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 12 SWAN HILLS TREATMENT PLANT

On December 31, 2000, the buildings and equipment of the Swan Hills Treatment Plant were acquired by the Ministry for one dollar from a subsidiary of Bovar Inc. The facility is operated by the Ministry through a contracted operator and results of operations are included in these financial statements.

In addition, certain lands relating to the Swan Hills Treatment Plant and the associated environmental obligations were transferred to the Ministry effective March 31, 2004.

As a result of an agreement between ministers of Environment, Infrastructure and Transportation, and Sustainable Resource Development, the land and responsibilities of the Swan Hills Waste Treatment Plant and related warehouse sites were transferred to the Ministry.

A study by an environmental consultant in October 2002 estimated that the cost of remediating and monitoring the Swan Hills Treatment Plant site was $25.9 million at that time. Management has accepted that estimate as valid. Assuming the work will be performed in 2018 the cost of reclamation will have escalated to $37.5 million. The $30 million recorded as at March 31, 2006 will increase by $625,000 per year until 2018, at which time the liability will equal $37.5 million.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 12 SWAN HILLS TREATMENT PLANT (continued)

(in thousands)

At March 31, 2006 the assets and liabilities of plant operations were as follows:

	2006	2005
Assets		
Accounts Receivable	$ 3,517	$ 2,529
Chemical and parts inventories	1,883	1,584
Capital Assets	10,226	9,142
	$ 15,626	$ 13,255
Liabilities		
Accounts Payable	$ 2,579	$ 3,346
Deferred Revenue	1,986	2,984
	$ 4,565	$ 6,330

Net operating results from plant operations for the years ended March 31 were as follows:

	2006	2005
Revenue (1)	$ 14,590	$ 11,280
Plant expenses before inventory transactions (2)	20,866	20,415
Consumption of consumable and repair part inventories (3)	2,139	2,085
Amortization (4)	851	528
	23,856	23,028
Net operating results from plant operations	$ (9,266)	$ (11,748)
Purchase of consumable and repair part inventories	$ 2,438	$ 2,091
Capital investment in plant and equipment	$ 2,282	$ 4,231

(1) The amount reported on Schedule 1 includes revenue from the rental of housing of $250 (2005 - $306)

(2) The amount reported on Schedule 5 includes expenses for environmental and financial assessments of $103 (2005 - $143) and costs of rental housing of $180 (2005 - $133). Plant costs include a provision of $625 for site reclamation and environmental monitoring.

(3) Some inventories were acquired at zero cost. The fair value of inventories consumed were $306 (2005 - $242) in excess of the cost recorded for the year ended March 31, 2006.

(4) Included in the Financial Transactions on Schedule 5.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 13 CONTINGENT LIABILITIES

($ in thousands)

At March 31, 2006, the Ministry is a defendant in 163 legal/other claims (2005 - 179 claims). One hundred and forty-five of these claims have specified amounts totaling $594,929 and the remaining 18 have not specified any amount (2005 - 153 claims with a specified amount of $582,695 and 26 with no specified amount). Included in the total legal claims are 8 claims in which the Ministry has been jointly named with other entities, 5 of which have specified claims amounting to $225,680. Seventy claims amounting to $65,755 are covered by the Alberta Risk Management Fund.

The resulting loss, if any, from these claims cannot be determined.

Certain contingent liabilities may exist for site remediation and reclamation which may be the responsibility of the Ministry. The potential costs relate to contaminated lands purchased for highway construction and to restoring buildings and other sites to acceptable and contractual standards. Except as disclosed in Note 2, the amount of such potential contingent liabilities cannot be reasonably determined and costs for site remediation and reclamation are recognized in the financial statements when work is undertaken.

NOTE 14 TRUST FUNDS UNDER ADMINISTRATION

(in thousands)

The Ministry administers trust funds that are regulated funds consisting of public money over which the Legislature has no power of appropriation. Because the Province has no equity in the funds and administers them for the purpose of various trusts, they are not included in the Ministry's financial statements.

As at March 31, 2006, trust funds under the Ministry's administration were as follows:

	2006	2005
The General Trust Fund	$ 491	$ 441
The Security Deposit Trust Fund	169	167
Impaired Driving Initiatives Trust Fund	166	121
	$ 826	$ 729

The General Trust Fund holds interest bearing securities posted by contractors.
The Security Deposit Trust Fund holds deposits from tenants for rented property.
The Impaired Driving Initiatives Trust Fund holds fines from individuals convicted of impaired driving. Trust funds are used for education programs.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
NOTES TO THE FINANCIAL STATEMENTS
Year ended March 31, 2006

NOTE 15 PAYMENTS UNDER AGREEMENT

(in thousands)

The Ministry has entered into agreements to deliver programs and services that are partly funded by the Government of Canada, the Kananaskis Improvement District and private companies. Costs incurred under these agreements are made by the Ministry under authority of the *Financial Administration Act*, Section 25. Amounts paid and payable under agreements with program sponsors are as follows:

	2006	2005
Government of Canada (program sponsor)		
Infrastructure Canada - Alberta Program	$ 25,509	$ 48,282
Kananaskis Improvement District (program sponsor)		
Roadway maintenance	73	73
Tourism Oriented Directional Signage (TODS) and Logo Signs Program	374	32
	$ 25,956	$ 48,387

NOTE 16 DEFINED BENEFIT PLANS

(in thousands)

The Ministry participates in the multi-employer pension plans, Management Employees Pension Plan and Public Service Pension Plan. The Ministry also participates in the multi-employer Supplementary Retirement Plan for Public Service Managers. The expense of these pension plans is equivalent to the annual contributions of $9,300 for the year ended March 31, 2006 (2005 - $8,012).

At December 31, 2005, the Management Employees Pension Plan reported a deficiency of $165,895 (2004 - $268,101) and the Public Service Pension Plan reported a deficiency of $187,704 (2004 -$450,068). At December 31, 2005, the Supplementary Retirement Plan for Public Service Managers had a surplus of $10,018 (2004 - $9,404).

The Ministry also participates in two multi-employer Long Term Disability Income Continuance Plans. At March 31, 2006, the Bargaining Unit Plan reported an actuarial deficiency of $8,699 (2005 - $11,817) and the Management, Opted Out and Excluded Plan an actuarial surplus of $8,309 (2005 - $3,208). The expense for these two plans is limited to employer's annual contribution for the year.

NOTE 17 COMPARATIVE FIGURES

Certain 2005 figures have been reclassified to conform to the 2006 presentation.

NOTE 18 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Senior Financial Officer and the Deputy Minister.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
REVENUES
Year ended March 31, 2006

Schedule 1

(in thousands)

	2006 Budget	2006 Actual	2005 Actual
Internal Government Transfers			
Transfer from Lottery Fund	$ 394,000	$ 394,000	$ 325,000
Transfers from the Government of Canada			
Cost Recoveries and Contributions	92,691	126,214	26,445
Fees, Permits and Licenses			
Civil Service Parking	2,700	2,927	2,927
Motor Transport Services & Other Premiums	11,220	23,112	18,082
	13,920	26,039	21,009
Investment Income (1)	4,000	14,015	5,871
Other Revenue			
Refunds of Expenditure	2,950	6,246	18,022
Lethbridge Railway Relocation Project	225	400	291
	3,175	6,646	18,313
Miscellaneous			
Swan Hills Treatment Centre	15,000	14,840	11,586
Rentals (Land and Buildings)	10,955	11,819	11,520
Vehicle Operations	500	356	349
Aircraft Services	708	107	538
Tourism Highway Signage Initiative	2,000	374	29
Upgrading of Seniors' Lodges	-	-	145
Cost Recoveries	-	7,086	2,163
Donated Tangible Capital Asset	12,608	12,609	-
Other	740	3,901	11,336
	42,511	51,092	37,666
	$ 550,297	$ 618,006	$ 434,304

(1) Health care facility construction grants are paid into trust accounts and the Ministry earns investment income on the funds.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2006
(in thousands)

Schedule 2

	2006		
	Authorized Dedicated Revenues	Actual Dedicated Revenues	(Shortfall)/ Excess
Property Rentals (Land and Buildings)	$ 10,955	$ 11,809	$ 854
Swan Hills Treatment Centre	13,500	14,840	1,340
Motor Transport Permits and Licences	2,000	2,000	-
Tourism Highway Signage Initiative	300	374	74
National Safety Code	500	500	-
Traffic Related Electronic Data Strategy	300	300	-
Infrastructure Canada Alberta Program	180	216	36
Calgary Children's Hospital - 16th Ave Interchange	300	300	-
Strategic Economic Corridor Investment Initiative	4,340	4,196	(144)
	$ 32,375	$ 34,535	$ 2,160

Property Rentals
Rent is charged to agencies of government and other entities which occupy space in government operated buildings or which utilize land owned by government.

Swan Hills Treatment Centre
The private sector is charged for the disposal of hazardous waste.

Motor Transport Permits and Licences
This revenue is generated from public vehicle overweight and over dimensional highway fees and permits, commercial vehicle inspection station services and log haul levies. Civil service parking fees are also included in this category.

Tourism Highway Signage Initiative
The private sector is contributing to the capital investment in new tourism highway signs structures in the province.

National Safety Code
The Federal Government provides financial assistance to the provincial/territorial jurisdictions to assist in achieving consistent implementation of the National Safety Code. The Federal Government has agreed to contribute $500 per year for 4 years beginning in 2004/2005 and terminating in 2007/2008.

Traffic Related Electronic Data Strategy (TREDS)
TREDS is an agreement between Alberta Infrastructure and Transportation, Manitoba Transportation and Government Services, and Transport Canada to conduct a pilot of the State of Iowa's Traffic and Criminal Software to determine if the product meets the needs of the Canadian jurisdictions.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
DEDICATED REVENUE INITIATIVES
For the year ended March 31, 2006
(in thousands)

Schedule 2

Infrastructure Canada Alberta Program
The Infrastructure Canada Alberta Program is a joint project with the Federal Government and Municipalities. The Federal Government is reimbursing for the administrative costs of this project.

Calgary Children's Hospital - 16th Ave Interchange
The City of Calgary is contributing to the construction of the interchange.

Strategic Economic Corridor Investment Initiative
The Federal Government is providing funding for the Intelligent Transportation Systems highway project, for example the Deerfoot Trail Project. A private company is providing funding for the Trinity Grade Interchange.

The above dedicated revenues are included in the Statement of Operations.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
EXPENSES - DIRECTLY INCURRED DETAILED BY OBJECT
Year ended March 31, 2006

Schedule 3

(in thousands)

	2006 Budget	2006 Actual	2005 Actual (Restated - Note 3)
Voted:			
Salaries, Wages and Employee Benefits	$ 124,533	$ 120,798	$ 113,441
Supplies and Services	623,163	631,530	620,887
Grants	1,982,830	2,429,011	1,747,349
Financial Transactions and Other	598	504	561
Amortization of Tangible Capital Assets	315,050	275,165	267,287
Total Voted Expenses	$ 3,046,174	$ 3,457,008	$ 2,749,525
Statutory:			
Valuation Adjustments			
Provision for Doubtful Accounts	$ -	$ 629	$ 272
Provision(Decrease) for Vacation Pay	-	1,045	(124)
Provision for Other	-	5,655	-
	$ -	$ 7,329	$ 148

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
BUDGET

Schedule 4

(in thousands)

	2005-2006				
	Estimates	Adjustment (a)	Budget	Authorized Supplementary (b)	Authorized Budget
Revenues					
Transfer from Alberta Lottery Fund	$ 394,000	$ -	$ 394,000	$ -	$ 394,000
Transfers from Government of Canada	92,691	-	92,691	17,835	110,526
Fees, Permits and Licenses	13,920	-	13,920	2,000	15,920
Investment Income	4,000	-	4,000	-	4,000
Other Revenue	45,686	-	45,686	100	45,786
	550,297	-	550,297	19,935	570,232
Expenses - Directly Incurred					
Voted Expenses					
Ministry Support Services	54,842	-	54,842		54,842
Infrastructure Operation, Preservation and Expansion	2,991,332	-	2,991,332	564,836	3,556,168
	3,046,174	-	3,046,174	564,836	3,611,010
Statutory Expenses					
Valuation Adjustments					
Provision for Doubtful Accounts	-	-	-	-	-
Provision for Vacation Pay	-	-	-	-	-
	-	-	-	-	-
	3,046,174	-	3,046,174	564,836	3,611,010
Net Operating Results	$ (2,495,877)	$ -	$ (2,495,877)	$ (544,901)	$ (3,040,778)
Equipment/Inventory Purchases	$ 39,720	$ -	$ 39,720	$ 2,200	$ 41,920
Capital Investment	$ 699,618	$ 41,564	$ 741,182	$ 234,815	$ 975,997
Statutory Capital Investment					
Public Private Partnership for Edmonton Southeast Ring Road	$ 83,300	$ -	$ 83,300	$ -	$ 83,300
	$ 83,300	$ -	$ 83,300	$ -	$ 83,300

(a) Adjustments include increases as a result of approved capital carry-over of the 2004-05 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

(b) Supplementary Estimates were approved on December 1, 2005 and March 16, 2006.
Treasury Board approval is pursuant to section 24(2) of the Financial Administration Act (for net budgeted initiatives).

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2006
(in thousands)

Schedule 5

		2005-2006						
		Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
Voted Expenses and Capital Investment								
Ministry Support Services								
1.0.1	Minister's Office	$ 450	$ -	$ 450	$ -	$ 450	$ 511	$ (61)
1.0.2	Standing Policy Committee on Agriculture and Municipal Affairs	106	-	106	-	106	99	7
1.0.3	Deputy Minister's Office	470	-	470	-	470	548	(78)
1.0.4	Communications	788	-	788	-	788	782	6
1.0.5	Strategic Services							
	- Operating Expense	53,028	-	53,028	-	53,028	50,898	2,130
	- Equipment/Inventory Purchases	9,870	-	9,870	-	9,870	14,301	(4,431)
Total Program 1		64,712	-	64,712	-	64,712	67,139	(2,427)
Infrastructure Operations, Preservation and Expansion								
2.1	**Government Operations and Services**							
2.1.1	Property Operations							
	- Operating Expense	126,817	-	126,817	6,512	133,329	130,613	2,716
	- Equipment/Inventory Purchases	-	-	-	-	-	95	(95)
2.1.2	Leases							
	- Operating Expense	98,000	-	98,000	6,235	104,235	103,817	418
	- Equipment/Inventory Purchases	-	-	-	-	-	-	-
2.1.3	Capital and Accommodation Projects							
	- Operating Expense	15,000	-	15,000	10,000	25,000	6,716	18,284
	- Equipment/Inventory Purchases	-	-	-	-	-	10,430	(10,430)
	- Capital Investment	197,742	30,545	228,287	3,000	231,287	179,995	51,292
2.1.4	Government Owned Facilities Maintenance							
	- Operating Expense	9,675	-	9,675	-	9,675	9,952	(277)
	- Capital Investment	-	-	-	-	-	2,380	(2,380)
2.1.5	Land and Site Environmental Services							
	- Operating Expense	3,750	-	3,750	500	4,250	3,236	1,014
	- Capital Investment	12,574	-	12,574	-	12,574	7,699	4,875
2.1.6	Swan Hills Treatment Centre							
	- Operating Expense	21,625	-	21,625	1,500	23,125	21,149	1,976
	- Equipment/Inventory Purchases	3,000	-	3,000	2,200	5,200	4,720	480
2.1.7	Air and Vehicle Services							
	- Operating Expense	3,926	-	3,926	-	3,926	4,355	(429)
	- Equipment/Inventory Purchases	1,850	-	1,850	-	1,850	1,364	486
	Total Sub-program	493,959	30,545	524,504	29,947	554,451	486,521	67,930
2.2	**Provincial Highway Systems and Safety**							
2.2.1	Provincial Highway Systems							
	- Operating Expense	281,877	-	281,877	8,328	290,205	305,838	(15,633)
	- Operating Expense funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
	- Equipment/Inventory Purchases	25,000	-	25,000	-	25,000	17,764	7,236
	- Capital Investment	121,185	11,019	132,204	130,000	262,204	149,150	113,054
2.2.2	Transportation Safety Services	28,789	-	28,789	3,840	32,629	32,409	220
2.2.3	Transportation Safety Board	1,041	-	1,041	-	1,041	1,049	(8)
	Total Sub-program	477,892	11,019	488,911	142,168	631,079	526,210	104,869

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2006
(in thousands)

Schedule 5

		2005-2006						
		Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
2.3	**Municipal Support Programs**							
2.3.1	Rural Transportation Partnerships							
	- Operating Expense	11,000	-	11,000	-	11,000	8,511	2,489
	- Operating Expense funded by Lotteries	50,000	-	50,000	-	50,000	50,000	-
2.3.2	Alberta Cities Transportation Partnerships							
	- Operating Expense	165,200	-	165,200	-	165,200	168,788	(3,588)
	- Operating Expense funded by Lotteries	35,000	-	35,000	-	35,000	35,000	-
2.3.3	Resource Road Program							
	- Operating Expense	16,000	-	16,000	-	16,000	15,923	77
	- Capital Investment	1,050	-	1,050	-	1,050	203	847
2.3.4	Streets Improvement Program							
	- Operating Expense	5,600	-	5,600	-	5,600	3,004	2,596
	- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
2.3.5	Municipal Water/Wastewater Grants							
	- Operating Expense	7,200	-	7,200	54,121	61,321	42,957	18,364
	- Operating Expense funded by Lotteries	25,000	-	25,000	-	25,000	25,000	-
2.3.6	Alberta Municipal Infrastructure Program	600,000	-	600,000	-	600,000	654,995	(54,995)
2.3.7	Federal Funding for Cities and Communities	40,000	-	40,000	17,200	57,200	57,283	(83)
2.3.8	Canada-Alberta Municipal Rural Infrastructure Fund	10,000	-	10,000	-	10,000	-	10,000
2.3.9	Infrastructure Canada-Alberta Program							
	- Operating Expense	22,180	-	22,180	-	22,180	16,959	5,221
	- Operating Expense funded by Lotteries	5,000	-	5,000	-	5,000	5,000	-
	Total Sub-program	1,018,230	-	1,018,230	71,321	1,089,551	1,108,623	(19,072)
2.4	**Education, Health, and Seniors' Facilities**							
2.4.1	School Facilities Operations (Note 3)	-	-	-	-	-	-	-
2.4.2	School Facilities Infrastructure							
	- Operating Expense	143,198	-	143,198	-	143,198	143,235	(37)
	- Operating Expense funded by Lotteries	58,000	-	58,000	-	58,000	58,000	-
2.4.3	Post-Secondary Facilities Infrastructure							
	- Operating Expense	88,500	-	88,500	-	88,500	88,469	31
	- Operating Expense funded by Lotteries	16,000	-	16,000	-	16,000	16,000	-
2.4.4	Health Facilities Infrastructure							
	- Operating Expense	252,048	-	252,048	-	252,048	237,484	14,564
	- Operating Expense funded by Lotteries	140,000	-	140,000	-	140,000	140,000	-
2.4.5	Seniors' Lodges							
	- Operating Expense	5,480	-	5,480	-	5,480	3,927	1,553
2.4.6	Rural Affordable Supportive Living (Note 3)	-	-	-	-	-	-	-
	Total Sub-program	703,226	-	703,226	-	703,226	687,115	16,111
2.5	**Energy Rebates**							
2.5.1	Energy Rebates	285,000	-	285,000	441,000	726,000	633,648	92,352
	Total Sub-program	285,000	-	285,000	441,000	726,000	633,648	92,352
2.6	**Program Services**							
2.6.1	- Operating Expense	55,376	-	55,376	-	55,376	53,980	1,396
	- Equipment/Inventory Purchases	-	-	-		-	454	(454)
	Total Sub-program	55,376	-	55,376	-	55,376	54,434	942
2.7	**Non-Cash Items**							
2.7.1	Amortization of Capital Assets	287,550	-	287,550	-	287,550	255,063	32,487
2.7.2	Consumption of Inventories	27,500	-	27,500	-	27,500	20,101	7,399
2.7.3	Nominal Sum Disposals	5,000	-	5,000	3,500	8,500	84	8,416
	Total Sub-program	320,050	-	320,050	3,500	323,550	275,248	48,302

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
COMPARISON OF EXPENSES - DIRECTLY INCURRED, EIP AND CAPITAL INVESTMENT AND STATUTORY EXPENSES
BY ELEMENT TO AUTHORIZED BUDGET
For the year ended March 31, 2006
(in thousands)

Schedule 5

	2005-2006						
	Estimates	Adjustments (a)	Budget	Authorized Supplementary (b)	Authorized Budget	Actual Expense (c)	Unexpended (Over Expended)
2.8 Strategic Economic Corridor Investment Initiative							
2.8.1 Strategic Economic Corridor Investment Initiative							
- Capital Investment	339,433	-	339,433	51,815	391,248	358,926	32,322
Total Sub-program	339,433	-	339,433	51,815	391,248	358,926	32,322
2.9 Water Management Infrastructure							
2.9.1 Water Management Infrastructure							
- Operating Expense	-	-	-	-	-	1,000	(1,000)
- Capital Investment	7,634	-	7,634	-	7,634	2,605	5,029
- Capital Investment funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
Total Sub-program	27,634	-	27,634	-	27,634	23,605	4,029
2.10 Capital for Emergent Projects							
2.10.1 Capital for Emergent Projects							
- Operating Expense	-	-	-	12,100	12,100	5,625	6,475
- Capital Investment	-	-	-	50,000	50,000	9,271	40,729
Total Sub-program	-	-	-	62,100	62,100	14,896	47,204
Total Program 2	3,720,800	41,564	3,762,364	801,851	4,564,215	4,169,226	394,989
Grand Total	$ 3,785,512	$ 41,564	$ 3,827,076	$ 801,851	$ 4,628,927	$ 4,236,365	$ 392,562
Program Operating Expense	$ 2,672,174	$ -	$ 2,672,174	$ 564,836	$ 3,237,010	$ 3,083,008	$ 154,002
Program Operating Expense Funded by Lotteries	374,000	-	374,000	-	374,000	374,000	-
Equipment/Inventory Purchases	39,720	-	39,720	2,200	41,920	49,128	(7,208)
	3,085,894	-	3,085,894	567,036	3,652,930	3,506,136	146,794
Program Capital Expense	679,618	41,564	721,182	234,815	955,997	710,229	245,768
Program Capital Expense Funded by Lotteries	20,000	-	20,000	-	20,000	20,000	-
	699,618	41,564	741,182	234,815	975,997	730,229	245,768
	$ 3,785,512	$ 41,564	$ 3,827,076	$ 801,851	$ 4,628,927	$ 4,236,365	$ 392,562
Statutory Expenses							
Public Private Partnership for Edmonton Southeast Ring Road	$ 83,300	$ -	$ 83,300	$ -	$ 83,300	$ 117,985	$ (34,685)
Health Facility	-	-	-	-	-	409	(409)
Valuation Adjustments							
Provision for Doubtful Accounts	-	-	-	-	-	629	(629)
Provision for Vacation Pay	-	-	-	-	-	1,045	(1,045)
Provision for Other	-	-	-	-	-	5,655	(5,655)
	$ 83,300	$ -	$ 83,300	$ -	$ 83,300	$ 125,723	$ (42,423)

(a) Adjustments include increases as a result of approved capital carry-over of the 2004-05 unused appropriation, pursuant to the Financial Administration Act, section 28.1.

(b) Supplementary Estimates were approved on December 1, 2005 and March 16, 2006. Treasury Board Minutes were approved on July 28, 2005, October 25, 2005, January 23, 2006 and March 20, 2006.

(c) Includes Achievement bonus of $2,558

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
SALARY AND BENEFITS DISCLOSURE
Year ended March 31, 2006

Schedule 6

	2006				2005
	Base Salary (1)	Other Cash Benefits (2)	Other Non-cash Benefits (3)	Total	Total
Deputy Minister [4]	$ 188,190	$ 68,989	$ 40,490	$ 297,669	$ 230,858
Other Executives					
Chair, Transportation Safety Board	147,436	22,871	32,858	203,165	177,566
Assistant Deputy Minister, Properties	148,588	22,871	12,505	183,964	177,566
Assistant Deputy Minister, Capital Projects [5]	58,980	17,694	15,057	91,731	173,773
Assistant Deputy Minister, Transportation Safety Services	147,436	22,871	32,833	203,140	177,566
Assistant Deputy Minister, Transportation and Civil Engineering	147,436	22,871	32,515	202,822	177,038
Assistant Deputy Minister, Policy and Planning	148,588	40,396	33,117	222,101	177,566

Prepared in accordance with Treasury Board Directive 03/2004.

Total salary and benefits related to a position are disclosed.

(1) Base salary includes pensionable base pay.

(2) Other cash benefits include bonuses, vacation payments, overtime, and lump sum payments.

(3) Other non-cash benefits include government's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, group life insurance, short and long term disability plans, professional memberships and tuition fees.

(4) Automobile provided, no dollar amount included in non-cash benefits figures.

(5) The incumbent was appointed to the position in November 2005. The previous appointee retired effective March 31, 2005.

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2006
(in thousands)

Schedule 7

Related parties are those entities consolidated or accounted for on the modified equity basis in the Province of Alberta's financial statements. Related parties also include management in the Department.

The Ministry and its employees paid or collected certain taxes and fees set by regulation for permits, licenses and other charges. These amounts were incurred in the normal course of business, reflect charges applicable to all users, and have been excluded from this Schedule.

The Ministry receives services under contracts managed by Restructuring and Government Efficiency (RGE). Any commitments under these contracts are reported by RGE.

The Ministry had the following transactions with related parties recorded on the Statement of Operations and the Statement of Financial Position at the amount of consideration agreed upon between the related parties:

	Other Entities	
	2006	2005 (restated)
Revenues		
Lottery Fund	$ 394,000	$ 325,000
Parking/Rental	2,437	3,958
Air Transportation	98	375
Swan Hills Treatment Plant	480	480
Executive Vehicles/Central Vehicle Operations	355	344
	$ 397,370	$ 330,157
Expenses - Directly Incurred		
RGE	$ 17,742	$ 17,282
Grants	679,091	1,075,762
IT Services	-	1,338
	$ 696,833	$ 1,094,382
Net Tangible Capital Assets Transferred	$ 16,279	$ 46,843
Accounts Receivable from:		
Alberta Community Development	$ -	$ 36
	$ -	$ 36
Accounts Payable to:		
RGE	$ -	$ 183
	$ -	$ 183

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
RELATED PARTY TRANSACTIONS
Year ended March 31, 2006
(in thousands)

Schedule 7

The Department also had the following transactions with related parties for which no consideration was exchanged. The amounts for these related party transactions are estimated based on the costs incurred by the service provider to provide the service. These expense amounts are not recorded in the financial statements but are disclosed in Schedule 8.

	Other Entities	
	2006	2005 (restated)
Revenue		
Road/Bridge Maintenance	$ 5,609	$ 5,572
Executive Vehicles	54	47
Accommodation	239,428	236,434
Air Transportation	3,574	1,604
	$ 248,665	$ 243,657
Expenses - Incurred by Others (Schedule 8)		
Accommodation	$ 1,310	$ 1,312
Internal Audit Services	21	-
Legal	1,557	1,272
	$ 2,888	$ 2,584

MINISTRY OF INFRASTRUCTURE AND TRANSPORTATION
SCHEDULE TO THE FINANCIAL STATEMENTS
ALLOCATED COSTS
Year ended March 31, 2006
(in thousands)

Schedule 8

	2006							2005
		Expenses - Incurred by Others		Valuation Adjustments (4)				(Restated)
Program	Expenses (1)	Accommodation Costs (2)	Legal/Internal Audit Services (3)	Vacation Pay	Doubtful Accounts	Other	Expenses	Expenses
Ministry Support Services	$ 52,838	$ 31	$ 344	$ 93	$ -	$ -	$ 53,306	$ 50,898
Infrastructure Operation, Preservation and Expansion	3,404,170	1,279	1,234	952	629	5,655	3,413,919	2,701,358
	$ 3,457,008	$ 1,310	$ 1,578	$ 1,045	$ 629	$ 5,655	$ 3,467,225	$ 2,752,256

(1) Expenses - Directly Incurred as per Statement of Operations, excluding valuation adjustments
(2) Cost shown for Accommodation (includes grants in lieu of taxes) on Schedule 7, allocated by square footage.
(3) Cost shown for Legal and Internal Audit Services on Schedule 7, allocated by estimated costs incurred by each program.
(4) Valuation Adjustments as per Statement of Operations. Employee Benefits and Doubtful Accounts provision included in Valuation Adjustments were allocated as follows:
- Vacation Pay - allocated to the program by employee,
- Doubtful Accounts Provision - estimated allocation to program.
- Other - estimated allocation to program.

List of Government Entities

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Access to the Future Fund[1]	Advanced Education
Agriculture Financial Services Corporation	Agriculture, Food and Rural Development
Alberta Alcohol and Drug Abuse Commission	Health and Wellness
Alberta Capital Finance Authority	Finance
Alberta Energy and Utilities Board	Energy
Alberta Foundation for the Arts	Community Development
Alberta Gaming and Liquor Commission	Gaming
Alberta Heritage Foundation for Medical Research Endowment Fund	Finance
Alberta Heritage Savings Trust Fund	Finance
Alberta Heritage Scholarship Fund	Finance
Alberta Heritage Science and Engineering Research Endowment Fund	Finance
Alberta Historical Resources Foundation	Community Development
Alberta Insurance Council	Finance
Alberta Local Authorities Pension Plan Corporation[2]	Finance
Alberta Pensions Administration Corporation	Finance
Alberta Petroleum Marketing Commission	Energy
Alberta Research Council Inc.	Innovation and Science
Alberta Risk Management Fund	Finance
Alberta School Foundation Fund	Education
Alberta Science and Research Authority	Innovation and Science
Alberta Securities Commission	Finance
Alberta Social Housing Corporation	Seniors and Community Supports
Alberta Sport, Recreation, Parks and Wildlife Foundation	Community Development
Alberta Treasury Branches	Finance
ATB Investment Management Inc.	Finance
ATB Investment Services Inc.	Finance
ATB Services Inc.	Finance
Child and Family Services Authorities:	Children's Services
Calgary and Area Child and Family Services Authority	
Central Alberta Child and Family Services Authority	
East Central Alberta Child and Family Services Authority	
Edmonton and Area Child and Family Services Authority	
North Central Alberta Child and Family Services Authority	
Northeast Alberta Child and Family Services Authority	
Northwest Alberta Child and Family Services Authority	

[1] Established July 10, 2005.
[2] Incorporated December 16, 2005.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Southeast Alberta Child and Family Services Authority	
Southwest Alberta Child and Family Services Authority	
Metis Settlements Child and Family Services Authority	
Credit Union Deposit Guarantee Corporation	Finance
Department of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Department of Advanced Education	Advanced Education
Department of Children's Services	Children's Services
Department of Community Development	Community Development
Department of Education	Education
Department of Energy	Energy
Department of Finance	Finance
Department of Gaming	Gaming
Department of Health and Wellness	Health and Wellness
Department of Innovation and Science	Innovation and Science
Department of Seniors and Community Supports	Seniors and Community Supports
Department of Solicitor General and Public Security	Solicitor General and Public Security
Department of Sustainable Resource Development	Sustainable Resource Development
Environmental Protection and Enhancement Fund	Sustainable Resource Development
Gainers Inc.	Finance
Government House Foundation	Community Development
Historic Resources Fund	Community Development
Human Rights, Citizenship and Multiculturalism Education Fund	Community Development
iCORE Inc.	Innovation and Science
Lottery Fund	Gaming
Ministry of Aboriginal Affairs and Northern Development[1]	Aboriginal Affairs and Northern Development
Ministry of Advanced Education	Advanced Education
Ministry of Agriculture, Food and Rural Development	Agriculture, Food and Rural Development
Ministry of Children's Services	Children's Services
Ministry of Community Development	Community Development
Ministry of Economic Development[1]	Economic Development
Ministry of Education	Education
Ministry of Energy	Energy
Ministry of Environment[1]	Environment
Ministry of Executive Council[1]	Executive Council
Ministry of Finance	Finance
Ministry of Gaming	Gaming
Ministry of Government Services[1]	Government Services
Ministry of Health and Wellness	Health and Wellness
Ministry of Human Resources and Employment[1]	Human Resources and Employment
Ministry of Infrastructure and Transportation[1]	Infrastructure and Transportation
Ministry of Innovation and Science	Innovation and Science
Ministry of International and Intergovernmental Relations[1]	International and Intergovernmental Relations
Ministry of Justice[1]	Justice

[1] Ministry includes only the departments so separate departmental financial statements are not necessary.

Entities Included In The Consolidated Government Reporting Entity

Ministry, Department, Fund or Agency	*Ministry Annual Report*
Ministry of Municipal Affairs[5]	Municipal Affairs
Ministry of Restructuring and Government Efficiency[5]	Restructuring and Government Efficiency
Ministry of Seniors and Community Supports	Seniors and Community Supports
Ministry of Solicitor General and Public Security	Solicitor General and Public Security
Ministry of Sustainable Resource Development	Sustainable Resource Development
N.A. Properties (1994) Ltd.	Finance
Natural Resources Conservation Board	Sustainable Resource Development
Persons with Developmental Disabilities Community Boards:	Seniors and Community Supports
Calgary Region Community Board	
Central Region Community Board	
Edmonton Region Community Board	
Northeast Region Community Board	
Northwest Region Community Board	
South Region Community Board	
Persons with Developmental Disabilities Provincial Board	Seniors and Community Supports
Provincial Judges and Masters in Chambers Reserve Fund	Finance
Safety Codes Council	Municipal Affairs
Supplementary Retirement Plan Reserve Fund	Finance
Victims of Crime Fund	Solicitor General and Public Security
Wild Rose Foundation	Community Development

Entities Not Included In The Consolidated Government Reporting Entity

Fund or Agency	*Ministry Annual Report*
Alberta Foundation for Health Research	Innovation and Science
Alberta Heritage Foundation for Medical Research	Innovation and Science
Alberta Heritage Foundation for Science and Engineering Research	Innovation and Science
Alberta Teachers' Retirement Fund Board	Education
Improvement Districts' Trust Account	Municipal Affairs
Local Authorities Pension Plan	Finance
Long-Term Disability Income Continuance Plan - Bargaining Unit	Human Resources and Employment
Long-Term Disability Income Continuance Plan - Management, Opted Out and Excluded	Human Resources and Employment
Management Employees Pension Plan	Finance
Provincial Judges and Masters in Chambers Pension Plan	Finance
Provincial Judges and Masters in Chambers (Unregistered) Pension Plan	Finance
Public Service Management (Closed Membership) Pension Plan	Finance
Public Service Pension Plan	Finance
Special Areas Trust Account	Municipal Affairs
Special Forces Pension Plan	Finance
Supplementary Retirement Plan for Public Service Managers	Finance
Workers' Compensation Board	Human Resources and Employment

[5] Ministry includes only the departments so separate departmental financial statements are not necessary.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	*Ministry Annual Report*
Almadina School Society	Education
Aspen View Regional Division No. 19	Education
Aurora School Ltd.	Education
Battle River Regional Division No. 31	Education
Black Gold Regional Division No. 18	Education
Boyle Street Education Centre	Education
Buffalo Trail Public Schools Regional Division No. 28	Education
Calgary Arts Academy Society	Education
Calgary Girls' School Society	Education
Calgary Roman Catholic Separate School District No. 1	Education
Calgary School District No. 19	Education
Calgary Science School Society	Education
Canadian Rockies Regional Division No. 12	Education
CAPE-Centre for Academic and Personal Excellence Institute	Education
Chinook's Edge School Division No. 73	Education
Christ the Redeemer Catholic Separate Regional Division No. 3	Education
Clearview School Division No. 71	Education
East Central Alberta Catholic Separate Schools Regional Division No. 16	Education
East Central Francophone Education Region No. 3	Education
Edmonton Catholic Separate School District No. 7	Education
Edmonton School District No. 7	Education
Elk Island Catholic Separate Regional Division No. 41	Education
Elk Island Public Schools Regional Division No. 14	Education
Evergreen Catholic Separate Regional Division No. 2	Education
Foothills School Division No. 38	Education
Fort McMurray Roman Catholic Separate School District No. 32	Education
Fort McMurray School District No. 2833	Education
Fort Vermilion School Division No. 52	Education
Foundations for the Future Charter Academy Charter School Society	Education
Golden Hills School Division No. 75	Education
Grande Prairie Roman Catholic Separate School District No. 28	Education
Grande Prairie Public School District No. 2357	Education
Grande Yellowhead Regional Division No. 35	Education
Grasslands Regional Division No. 6	Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	*Ministry Annual Report*
Greater North Central Francophone Education Region No. 2	Education
Greater Southern Public Francophone Education Region No. 4	Education
Greater Southern Separate Catholic Francophone Education Region No. 4	Education
Greater St. Albert Catholic Regional Division No. 29	Education
High Prairie School Division No. 48	Education
Holy Family Catholic Regional Division No. 37	Education
Holy Spirit Roman Catholic Separate Regional Division No. 4	Education
Horizon School Division No. 67	Education
Lakeland Roman Catholic Separate School District No. 150	Education
Lethbridge School District No. 51	Education
Living Waters Catholic Regional Division No. 42	Education
Livingstone Range School Division No. 68	Education
Medicine Hat Catholic Separate Regional Division No. 20	Education
Medicine Hat School District No. 76	Education
Moberly Hall School Society	Education
Mother Earth's Children's Charter School Society	Education
New Horizons Charter School Society	Education
Northern Gateway Regional Division No. 10	Education
Northern Lights School Division No. 69	Education
Northland School Division No. 61	Education
Northwest Francophone Education Region No. 1	Education
Palliser Regional Division No. 26	Education
Parkland School Division No. 70	Education
Peace River School Division No. 10	Education
Peace Wapiti School Division No. 76	Education
Pembina Hills Regional Division No. 7	Education
Prairie Land Regional Division No. 25	Education
Prairie Rose Regional Division No. 8	Education
Red Deer Catholic Regional Division No. 39	Education
Red Deer School District No. 104	Education
Rocky View School Division No. 41	Education
St. Albert Protestant Separate School District No. 6	Education
St. Paul Education Regional Division No. 1	Education
St. Thomas Aquinas Roman Catholic Separate Regional Division No. 38	Education

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SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

School Boards and Schools	*Ministry Annual Report*
Sturgeon School Division No. 24	Education
Suzuki Charter School Society	Education
Westmount Charter School Society	Education
Westwind School Division No. 74	Education
Wetaskiwin Regional Division No. 11	Education
Wild Rose School Division No. 66	Education
Wolf Creek School Division No. 72	Education
Universities	
Athabasca University	Advanced Education
The University of Alberta	Advanced Education
The University of Calgary	Advanced Education
The University of Lethbridge	Advanced Education
Colleges	
Alberta College of Art and Design	Advanced Education
Bow Valley College	Advanced Education
Grande Prairie Regional College	Advanced Education
Grant MacEwan College	Advanced Education
Keyano College	Advanced Education
Lakeland College	Advanced Education
Lethbridge Community College	Advanced Education
Medicine Hat College	Advanced Education
Mount Royal College	Advanced Education
NorQuest College	Advanced Education
Northern Lakes College	Advanced Education
Olds College	Advanced Education
Portage College	Advanced Education
Red Deer College	Advanced Education
Technical Institutes and The Banff Centre	
Northern Alberta Institute of Technology	Advanced Education
Southern Alberta Institute of Technology	Advanced Education
The Banff Centre for Continuing Education	Advanced Education

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

SCHOOL, UNIVERSITIES, COLLEGES AND HOSPITALS INCLUDED IN THE CONSOLIDATED GOVERNMENT REPORTING ENTITY ON A MODIFIED EQUITY BASIS[4]

Regional Health Authorities and Other Health Institutions	*Ministry Annual Report*
Alberta Cancer Board	Health and Wellness
Alberta Mental Health Board	Health and Wellness
Aspen Regional Health Authority	Health and Wellness
Calgary Health Region	Health and Wellness
Capital Health	Health and Wellness
Chinook Regional Health Authority	Health and Wellness
David Thompson Regional Health Authority	Health and Wellness
East Central Health	Health and Wellness
Northern Lights Regional Health Authority	Health and Wellness
Peace Country Health	Health and Wellness
Palliser Health Region	Health and Wellness

[4] The Public Sector Accounting Board of the Canadian Institute of Chartered Accountants has issued standards that require controlled entities to be fully consolidated line-by-line. In a transitional period to March 31, 2008, the Ministry is permitted to use the modified equity method of accounting. Under the modified equity method, the controlled entities' net assets and operating results would be included in one line on the Ministry's consolidated statements of financial position and operations, respectively. The Ministry has not yet included the financial statements of these controlled entities. In the transitional period, the government will assess when and how to include these controlled entities in the Ministry's consolidated financial statements. The financial results of these controlled entities are included in the consolidated financial statements of the Province of Alberta for the year ended March 31, 2006 on a modified equity basis.

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